by Belinda Gillespic

THE Department of Social Welfsre last year lost a cool \$750,000 in benefit frauds and thefts. But Post Office and Social Welfare officials have deviaed o system which they hope will slaah the cost to the State of benefits pocketed by petty criminals.

The department loses most money in the form of stolen orders. About 15.000 thefts occur each year. But by March, 1980, the new system abould climbrate all but s few

John Grant, assistont director-general of Social fraud-vulnerable chequas, remaining 30 parcent who still

six months, smounting to a sum of no more than \$10,000.

Nearly all of these frauds had bean attempted by beneficiarles themselves, and generally involved increasing the denomination of cheques by altering the number of digits -- \$6 to \$786, or \$12 to \$512, for example.

The computer doesn't write the sum out in words as well as figures - a slow and expensive process. But the forgers have been countered by printing "Pay under \$100" or "Pay under \$200" as appropriate on

per cent of family benefit and credit system. paid by this method.

GOVERNMENT ADMINISTRATION

benefit are now automatically The trend is away from paid by direct credit. The

paid by this method. extended to war pensions,
All new grants of family invalida and wildows'

From September on domestic purpose on a wider scale inter this as it is now. Social We encoursged to change to direct credit payments.

But the real brain-child of Social Welfare and the Post-Office is aimed at those who are unmoved by the convenience of direct crediting, and prefer to have their cash in

The "cash-equivalant" system has been developed The omount poid out is to check identification using direct credit principles, entered in the pass-bonk, everyone who present order to virtually eliminate cheques. doubling the check.

As well as appealing to the Welfare, said the atteration of cheques was a relatively small area of abuse.

First, the department is get an order will receive a cash benefit, the system is steadily extending its direct in the change over to the direct considered more suitable for same as now, with an initial unemployment and sickness payment heing innde hy superannuation recipiants now Last year direct credit was benefits, where payments are cheque if necessary. on a temporary basia.

money into special occupits for individual recipients.

child in them.

New Zeathand is not aleasis suffering abuses to the bend suffering abuses to the bend suffering abuses to the bend sustern succording to Gent.

A FUND set up to protect the public from unscrimulous car dealers is being used to meet the lusses of thance houses With 900,000 of the 1 milt and the motor Irade.

in 1975 Parliament passed an Act setting up a fidelity fund to give Licensed Molor Vehicle Dealers Institute a more professional and respectable image. Since then the trivi has twice fallen below its legal minimum limit of \$250,000 and required n special levy to lap it up. Most of the payouts have been to finance houses, with only a few to the consumers

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COMPUTINGS

But now the inalituta is pressing for an amendment to It specifically wants to exclude finance houses, which in Auekland, heve been highly are taking o normal comstillute paid out more than mercial risk by lending to a critical of the institute's

smaller ileaters, mony of The 1975 Act also gives the

trouble during the sales fund hy making sure dealers

The 1975 Act does not limit cheques without sufficien

the protection given to those funds in the bank; displaying

selling or buying with liceused vehileles for sale withou

dealers in private individuals complete details; foiling to

institute powers to protect the

keep their books in order.

second in Christehurch.

Polmersion North, \$300.

Offences included: Issuing

whom were in severe tinanclal

li has been common practice

for manufocturers, main

dealers and finance houses to

underwrite the cost of ears

standing on a smaller dealer's

accepting post tlated cheques

for amounts ranging from

chaiming on the fidelity fund

for the whole amount.

in anyway.

showroom floor.

\$60,000 to \$100,000.

downlim of recent years.

\$17,000 from the fund following dealer and wholesalers or policing methods. assemblers who are advancing one Auckland dealer is cars on credit.

One Auckland dealer is known to have physically The Institute's executive removed the investigator from

dishonoured cheques after director, Colin Stone, says the his premises.

Food certainly was the Energy Agency which has biggest contributor to the last advanced the reasoning that

That ammunition was a

price of petrol. And there hove been sales Meanwhile the Govarnment

clearly in the next quarter. Probably the most Irrational of these is the Increase in the by only 1 per cent. It is a That in turn shows a lack of

increase would boost the CPI tha economy as intended.

"Houest dealers who have had a call troin the nuditors To do this, the institute has linve welcomed the visit," he appointed two roving auditors, said.

programme to explain the

one based in Auckland and the "The multiors have been The auditors make random guidnnec on how to keep their As security, they have been cheeks on dealers. Their records straight.

findings resulted in a New members pay \$100 on disciplinary action and fines joining the institute plus this year. maninst several rule breokers. another \$10 o year into the duted cheque bounce, the main also of Wellington \$350, and dealers and finance houses are Peter Hogg Motors Lid of

"The lastitute was fully \$250,000.

finance houses have been. "They have legitimately Auckland dealers of the need consulted before the Act using the front to collect on them she in make claims," ise the front on undits, despite an their commercial debts with said. became law," he said. extensive education "But it was possed very

quickly and with all new legislation there is bound to be lecthing problems." The Law Drutting Office Is

negatiations between the in able in give mony dealers stitute and the Justice Deport ment.

And when the smoll denier Last December, Itoss Allan fund. Higher payments are proposing another special levy and the cors, and let the post fined \$325, Kent Car Sales Ltd. Jourth years of membership.

Meanwhile, the institute is proposing another special levy on its 2500 members to bring the fund up to its statutory

now working on on amend-

Volume 9, No. 26, (Issue 343) July 18, 1979

The final contion is expected lo go before tarliament later

Meanwhile, the institute is

Inside: PRESSURE is mounting for

the Government to drop its proposat to after income tax rates while Parllament is not sitting. Law Professor Geoffrey Palmer reviews the Issue - Page 7.

60 cents

THE latest edition of the tr stitute of Economic Research's tinarteriy Predictions was perparen unit printed before the Rudget, But the eristal bal was well pollshed this year Peter O'Brien looks at the histitute's predictions Page 12.

WHIEN Prime Mulster tu Moldom dismissed TVC's tan Frayer as of "no use to me", he said It all. Broad casters should serve him not the nubic. But hob Edito says the setting up of a statutory porporation in 1965 was designed to reduce henadeasting's vulnerability to notitiest Interference

CPI lifts wage-bid hopes

Economics Correspondent

BLACK Friday provided Jim Knox with some useful ammunition as he prepared to fight his first battle for s general wage order as president of the FOL.

Consumer Price Index figure for the June quarter inflation of 4.5 per cent. There has been only one

seven years - o 4.8 per cent increose in the June quarter Last week's news spelled the end to any Government hopes

10 per cent. Employers can take scant

Last wask's announcement

quarter's result (accounting we should lift the price of for 40 per cent of the increase). electricity to pay for the Some of this reflected good construction of power atations news for our produce on export from revenue aurpluses. The markets — but some resulted Government is obliged to heed directly from Government the agency because of its hopes influences. For exampla, the for a fair deal if the oil crisis price of milk has gona up by 50 should compel international per cent; butter is up 18 per allocations of oil aupplies. cent; sugar la up 13 per cant. But the fact is the Govern-There are other Government ment did push up the price by

influences - above all, tha an end tike in electricity charges. this means hefty increses in More recently, there have prices throughout the economy been increased rall charges, - for post office charges - and the manufacturing, transport,

taxes, the lifting of price is showing aigns of narcontrols, and the currency yousness about its economic messurea announced in tha policies. That axplains the deaire to set up a fiscal The effects will show more regulator - a mechanism to chenge tax rates without the blessing of Parliament.

Obviously, the Government electricity tariff. When ha is epprehenalva that tha tax announced it, the Prime cuts to teke affect in October Miniater assarted that the will be insufficient to atimulate

mattar for spaculation just confidence in the Budget how he could be so positive.

In the background, of waga issue will be settled in a course, is the international climate of distinct uncertainty.



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Government warming: smoking can endanger health. Middle Ter

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cunhill The most distinguished tobacco house in the world.

Enchane has so 1D enri and pass-book which hos a processes. signature using o "blackight" system, very difficult to

doubling the clicck.

Becausa nearly Working already for some beneficiaries who collect cash

henafits, with about 40 per cent superunnuation beneficiaries, get it not the Posi officency converted to this method. the "personalised Post Office already, the work load in the cash system" will be available respect will be about the un-

Social Welfare has take other measurea to protect Through the Post Office online-computer-system, the itself nyainst fraud. department erronges to pay

The department has allest the design of its orders to mile them much harder to dupikate by photogrophic or printer.

It has told the New Zealand Relailers Federation to in press members with the ned everyone who present order for payment, and plans to see reliables the color for people as the color for people as

system, according to Gat lle soid Australia g

Canada had been in a shir sil untion. He admitted that in "pros" would still be able beat the system if they the

fortnightly payments me cash equivalent system t March next year, their a curtalled. While the effert: remove the remaining order from the system would a tinue next year, "he which our resources and the of the Post Office and of banks can extend this yer

> The fund was primarily sel up to compensate the victims of fly by night dealers who bought cors with rubber cheques and sold without first cleuring outstanding finonce

Physicals.
The fund atao gave a mensure of back up to warranty regulations where there was a dispute between customer and dealer.

the net was designed to

Earlier this year the Inthe collapse of Welllogton's

Capital Motors. Most of that cars on credit. was to people left with But big cer deelers and within the law as it slands. Stone admits there were

1976.

All programs, door the did to any Government hopes of reducing inflation to below mantation, flowdhalls to per cent.

comfort from the bkolihood that the June and Saptember quarters will be as bad aa back in 1976 talthough quarterly increases abould teper off by the December

of a quartarly increase of 4.5 per cent brought the increase in inflation for the year to June to 12.4 per cent and was tha equivalent, whan compounded. to a yearly equivalant of 19.25

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Sledgehammer tactics stir industrial memories Airag prepares for take-off to Middle East

THE Government's persistent waving of the big stick as its contribution to the improvement of industrial relations le ralaing in some people'e imaginations a spectre of 1951.

month sledgehammer of derecognition of the whole Public Service Association to crack the nut of electrical workers' discontent about house rents.

Last week the prison door of wage regulation for everybody to punish a two-day strike by drivers, the ploy that worked tor did lt?) in February when Bill Andersen's engine-drivers

were troubling the brawerles. Both sticks waved, then put sway, in what seems to be Minister's hailmark. But some people see a growing and sinister urgency in his resort to threats over recent months.

They see an unrequited bloodlust, nurtured on memories of Sid Holland's spectacular smashing of the watersiders in 1951.

Parallels are seen. Industrial unrest has grown during the 1970s as It did during the late 1940s and there arc some tough-minded and resourceful unions and union leaders who scare decent citizens in their beds.

The union movement has lurched left, reviving memories of communist

fluence 30 years ago. The Government is in economic trouble. Inflation is roaring, as it was in 1951.

A major confrontation with a uninn or unions, followed by a snsp election, may be the diversion that will save the

National Party.
An added piquancy is the Prime Minister's own shaky leadership. A repeat of 1951 might just restore him to his pre-election unases liability. If you want an issue, try the Chile trade ban, which can be presented to the public as

sabotsging vital exporte. So the argument runs. My instinct has been to dismiss it as far-fetched, on the grounde that the stakes are too high and the cards too uncertain for any Government to deliberately play that hand. But recently 1 havs come across the theory among worried liberal National Party

membere, acared Public Service Association membera and unioniste. Union leaders, particularly since the change in the FOL leadership, look like they're

walking on eggs.

Note how quietly they have taken the legislation to keep unions out of joint venture fishing operations. Once upon at tme such an assault on their rights to organise would have had them jumping up and

I have not heard much public concern over the German industrialists' hints to ministers that they would not eagerly risk money on New Zealand's English-style

gingerly round the PSA and Minister's peremptory summons last wock to call off

rampant militancy the Socialist Unity Party is bringing to the FOL, it will be interasting to watch its displays of moderacy.
The problem for union

leaders is that they are eiting on top of volcanoes that are heating up. Rapeatedly this year people lower down the line have taken matters into their own hands.

The result has been that the past six months have at times seemed chaotic - not just to you, gentle reader, but to the union leaders who have been getting the bisme.

At this point it is worth recalling what happaned in

At that time the Cold War was at its halght. The Soviet Union had not long ago got its own at omic bomb. It had blockaded West Berlin in a trial of atrangth with the west. Communists had taken over in eastern Europe, China, North Kores and North Viatnam. A holy war was being fought sgainst Chins in Korea.

Perfactly sane peopls believed, with what seemed good reason, that the west was in danger of being engulfed by communism — if not by extemal aggression, then by

in the lata 1940s the Labour Government had panicked at communist influence in soma unions and turned sharply to the right, taking most of the Federation of Labour with it.

With FOL acquiescence the Fraser Government used newly acquired legislative powers to dismantle the communist-led carpenters union in 1949, even though at one stage the dispute which prompted the sction was close o settlement.

Peaca tims conscription followed and Fraser seemed to be shaping up to take on the watersiders when he lost office. In 1950 tha watersiders seemed to confirm his fears by pulling out of the FOL with some other unions and joining the communist-dominated World Federation of Trade Unlons, from which the FOL had disaffillated.

The watersiders won notable victory for direct bargaining in late 1950, but it early 1951, in a public mood of what would now be called anticommunist hysteria, the National Government took

An overtime ban over a disputed pass-on of a general wage order and disagreement about the method that ehould be used to resolve the disputa waa turned by tha employers. with Government backing, into a lockout.

Gradually gaining nerve, the Government took dietstorial emergency powers, including press censorehip. Though initially a number of other unions backed the watersiders, ment, an act said later by Ketth Holyoake to have bee cruelal to tha eventual Government victory.

Thus effectively isolated, ths The FOL also tiptoed most arrogantly obdurate watersiders and the few unions who rallwaymen's disputes and persisted in support had no then obeyed the Prime chance. Troops and scab labour worked tha whsryes and whan the watersiders did start making If these are examples of the concessions, every concilia-

Page 6 offers more than just a room for the night



POLITICS

tory move was met by

raising tha ante until complete surrender was obtained. In the subsequent "people versus the wreckers" election, National Increased its

parliamentary majority. The essential Ingrediants were: A united public opinion shaped by real, pervasiva fears of communism and dispute. reinforced by a compliant

Are those ingredients from ita eleeve.

unions are wrecking the traliy-led obstinacy that kept country think they are doing it them going as long as they did. out of greed rather than as That sort of action would spiracy to sabotage our social quickly to provide the stuff of and political structure.

Public opinion might be Government had succeeded in disruption are much gree united by angar, but it is a less solid unifisr than feor, nore diverse naws medis of today gave less unquestioning support than in 195t

The state electrical workers. had they gone on strike, would have been easily beaten once the disruption hurt the public and given the (in the public's

press; deep divisions within — thus turning the issue into in 30 years seen the degree of the labour movement; a one of union rights — promised rank and file commitment to militant union with little public a major fight with no his union there is now. sympathy, isolated from the guarantee of Government Tha current FOL leadership chance of winning.

The rallwaymen? It seems expected to lean on any any The first is not. Most of those to have been rank and file heading that way. But i I have talked to who think the frustration rather than cenpart of an international con- probably have caved in too of today's society sn election, even if the

widening the dispute. The drivers? Their leaders especially if, as I suspect, the are too astute io bc manoeuvred into a 1951 fight.

don't affect essential servicea. is there a union that fits the The freezing workers? They're power if they won. on the sideline for the moment. on the sideline for the moment. But a subsequent skip.

There is also unity in the might well resemble high

the PSA and the FOL. Each Government threat reinforces eyes) trifling matter in that eesentially defensive unity. One moderate unionist Threatening derecognition told me last week he has never

the Government and day

to take off on a weekly freight run to the Middle East. After a four-month delay, than the Government. the Government has given the And, given the dependent Christchurch-based airline a sophisticated technology, a six-month permit to operate flights to 19 destinations, opportunities for erippin providing it does not compete

The Governmen presumobly, would have win, if only because the me lcoders, The boilermakers? They revolutionsries, would a know what to do with politic

that might have to be labour movement - resching loss in Britain in the r even to tentative links between election over the mine give Airag a chance to prove It ean operate successfully strike more than Holet triumphant eruesde.

Perhaps we should take tnitially the sirline with be Prime Minister at facen's leasing a DCB and crew for a That he wante the safe wis weekly service to the Yemen involved in reintroducting Saudi Arnbin and Bahrain controls. He could lift to earrying mainly chilled meat and fresh produce. t991 and stlil have g

Spokesman Graham Vetch, former general manager of

OVERSEAS TRADE

the ill-fated Nationwide Air, said the airline had strong support particularly from exporters who had been having problems getting goods Into the Middle East.

Supporters had already pledged \$1.5 millon for the formation of a public unlisted company, Airng International New Zenland Ltd, which would have a nominal share capital

Airag's permit is timited, tt cannot compete on routes served by Air New Zealand nor

But the permit does not stop Air New Zealand chartsring Airsg as and when needed rather than Flying Tiger, the blg American airfreight

Vetch makes no secret that Airsg tritends to compete for most of the airtreight taken out of the country by overseas operators like TtA on an occasional charter basis. Airsg will be bidding for the

kiwifruit sxporters' charters to Japan next May as well as the horse trade after the Trentham bloodstock sales. Kiwifrutt exporters sp-

prosched the sirline earlier this year, but Vetch says it was unable to help because no aircraft were available for charter at that time.

The fledgling carrier is also looking to a sensonal frush truit and vegetable trade to the United Kingdom during Octoher through to December.

Bockloading will be the runin problem as Veteli readily



COLUN MCLACHLAN rejects tong-term application.

"Back cargo la always

difticutt. "There is a potential taking scatteight as there are shipping problems in the Mediterranean and Gulf areas," he said.

Many of the return toads are likely to originate in Britoin, trance and Holland, but Airag will not be going to pick them up from those countries. It is negotiating with IAS and Nationwide Atr's directors, Trans Air Cargo to offer a Matt Thompson and John Europe to New Zealand air- Rutherford and Mestworkera' freight service transhipping Union secretary Bluc Kencargoes somewhere in the Middle East.

for refuelling.

"The first I knew of it was Middle East.

Airag is also seeking permission from the Australian being questioned shout it on the radio," ha said. charters from the cast coast, Sydney, Malbourne and will be the only two centres to Brisbane in a similar manner benetit immediately from to those pioneered by IAS out Airag's operations.

nedy, to Iran.

Ultimately, it intends to buy Vetch says there has been s Its own sircraft and use its own lot of interest from across the pilots, Wetlington may also be Tasmsn in Airag's potential added to the schedute. operation. Initially the weekly service to the Middle East will touch down in Darwin but only

Vetch says Ohakes would be preferable centre to the capital because of its more direct access to the agricultural produce of the The atrline is also negotiating with Indian tea Walraraps and Manawatu.

and jute exporters to bring Two more applications for cargoes back to New Zealand. international licences are also But one potential outbound helng considered by the corgo has ulready been Government. Air Pegusus, the dropped. The cirtine was Auckland-based ogent for TIA, hoping to fly live sheep to Iran wants thoperate flights mainly for local sinugiter, but the to Australia in its own right, its Montworkers. Union is application is now before refusing to lift its han on their McLachian.

Rural Aviution (1963) Ltd's movement. Livestock for breeding muy be carried. And application to operate DC6s Vetch says there is a market mnthly across the Tasinan or sheep, eattle and deer in carrying racehorses and

Vetch dealed persistent the Minister's desk. Airfare news flow

tires travel agents

by John Draper

TRAVEL agents ore growing tired of being the last to know about the ups and downs of

international airfnres. Too often, for their liking, they find out about new fares only by the deluge of eager customers wanting to book or by reading the

Association of New Zeatand has had enough.

Later this month it will meet alrilne and Ministry of Transport representatives to implement a code on the introduction of new rates.

a time lag between the tima new fares are announced and the day they are implamantad. The association will also be demanding more accurate and up to date information from alone a would be traveller or

Some carriers have been quick to produce easily read and understood brochures for agents and life public, though some have been too busty and the fores quoted differ from those finally approved by Government, Others, and in particular Air New Zealand. distribute wads of close-typed

But the Travel Agents

the atrlines.

difficult-to-read notes. Air New Zealand for instance, has yet to distribute easily comprehended brochures detailing high and low aeason fares to the United Statas. And as the agents point out, they use the most easily

tend to book with the airline Esaentially the agents want that aupplies it. ing and writhing jungle of peak, off peak and special alrfaraa ara mora than enough to baffle a computer let bls booking agent.

understood Information and

Sterling Nicholas takes the risk out of duty free shopping!

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"It's more impressive to fail on a difficul



American Express, in conversation with Cardmember Sir Edmund Hillary. he was a young child his parents took A.E: Decision-making is obviously a

objective than succeed on a modest one."



by John Draper

with existing carriers.

An application for a full two-

year international air service

icence was rejected by

Transport Minister Colln

McLachian, mainly because of

the reciprocal tanding rights

tor Middle Eastern airlines

The six-month permit will

without jeopardising future air

AIRAG International is resdy

Sir Edmund ("call me Ed") Hillary: Mountsineer, Adventurer, Explorer, Author, Buslaeseman, Nepalese Bridge Builder, Chairmao of the Himalayan Trust. Attended Aucklaod Grammar where, deepite the motto (Per Angueta ad Augusta -Through Narrow Paths to the Heights) he remained uniospired. Eventually discovered mountaine, conquering the higgest of them all in '53. Became the youngest Knight of

A.E: I read the other day where someone said that if you are going to dresm of impossible things you might just as well dream of big impossible

E.H: I agree scrually. A challenge you're coolident of overcoming is hardly worth starting. Why bother if you are quite confident that you are titmosi. Where there is nlways doubt as to whether or not you ore going to he successful. Then, when you eucceed, if you do succeed, you have a great sener of achievement. It's more intpressive in fail on a difficult objective than to succeed on a modest one.

A.E. Have you always had a clear picture of your goals?

E.H. No. I don't think I did. People said "When did you first really get your great ambition to climb Mt. Everest?" Well, I didn't get my great ambition to climb Mt. Everest until a year or two heforehand. I'd been climbing for many years before I even thought of the prospect of going to Mt. Everest.

A.E. You didn't tell your mother in 1939 that you were going to climb Mt.

le wrote in one of his books that when you almost into position.

him across France. His mother was characteristic of a mountaineer . . . halding him in her arms, suddenly on the horizon, he saw a great white mass of mountain peaks whereupon he duly rose up and pointed in the direction of these peaks said "go gaga goo goo". Which meant (supposedly), "I'm going to become a famous mountaineer" Well, that's really a lot of rubbish. People tend to try to give you ideas and

firm convictions. A.E: At what age did you reslise you were going to become famous?

E.H: It wasn't until I actually climbed Everesi that it euddenly dawned on me that I was going to be in the uncomfortable position of being famoue. Before Evereet, even on the mountsin, I had never really even thought about it. We the century. Other remarkable days. Nowadays, the modern athlete ie achievements include driving a coo- aware that if he is very euccessful there voy of farm tractors to the South cao be economic, substantial economic

> A.B: If Ed Hillary had climbed Everest in the '70's, the 33-year-old Sir Edmund Hillary would have been a very marketable item indeed. Are you glad or sad that you escaped that kind of marketeering?

E.H: Very glad, I have a little hit to do with it onyway, but I have been able to keep it to what I regard as a ressonable going to overcome it? The real chal-lenges are ones that extend you to the course, as far as the fame business is In things of this nature, it certainly has been very beneficial. But I don't envy the great athlete of today who gets involved in the tremendoue commercial

A.E: Did Neil Armstrong'a glant step, I wooder, creata as much excitement for paople as Ed Hillary's? I remember looking at the moon and thinking, "Hey, there's somehody upthere", and the people around me were walking along looking down at

E.H: There's a tremendous difference: io the challanges and adventure of today. It's not only the achievement of the individual but the thrill of those back in Houston pushing all the hut-tons. I think it was probably more fun in our day in that you were the one who E.H. No, oo. You know, there was old had to make the decisions ... you Frank Smyth who was one of the great weren't just a part of a very highly qual-mountaineers and wrote lots of books. Head technology which was thrusting

E.H; I think that most people can learn

to become decision-makers. I certainly was never anything like a horn leader but I found that over the years there were certain techniques that one could follow which enshied one to handle groups of people who could easily be far more efficient and far more intelligent perhaps than oneself. The thing I always found was doing your homework. Before you went to bed esch night, you just went through in your mind what was going to happen next day and hriefly thought out what problems you might meet and did occur. Now, that meant that it something did happen you had thought the matter over sad you were in a posi-

A.E: How long have you had the

tion to give a competent decision im-

E.H: For five or six years, and find it most useful for identification. For example, in American hotels where they often ssk you for identification before you even check in, I've found the American Exprese Card is particularly valuable. It really does give you formal identification. It does have a definite status: there's no question of that.

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ineffective and irretevant, and as its prastige dwindles, it allows growing signs of inefficiency in discharging the functions remabiling to it.

A mojor wenkness lain the way it works; it passes too many laws in III-considered form und it falls lo exercise a propar scrutiny over the work of the Government departments.

As the Government expands into bronder fields of activity, as policy-moking becomes incressingly sophisticated, and as a growing trend to long-range planning devalops, Por liament'a controt of spending, of course, ramsins limited to approving one year's estimotes of axpenditure — usually halfway through the year, whan tha money has actually been

Part of the problem lies in the powerlessness of the select committees. Unlike their equivalents is many Western parliaments, our standing committees lack the power to critically appraise government proposals and expenditure. They have no right to examino witnesses — even the Ministers and civil servants who draught bills. They have no right to call for evidence from outside bodies, or to amploy expart staff to help them in their deliberations.

The most powerful of the select committees is the Public Expenditure Committee, which has an important job lo do in acting as a watchdog on government speading and keeping informed Government and Opposition MPs. It has 45 state trading undertakings or Government departments to examine, but has limited time, limited resources, and according to chairman Marilyn Waring in a speech to the Civil Service instituta last week — "the same crazy frustratioo in nequiring much-needed staff as you undoubtedly have."

The Public Expendituro Committee brings some acandais to tight, such as Ministry of Works extravagances on the Kalmul Tunnel project. But Waring had week bluntly add the committee has not adequately earried out the order of reference and complained that essential information is dealed

Moreover the committee's 10 members can be outflanked and on manocuvred by "wily, experienced civil servants who stift chuckle about how they 'gol' auch and auch an MP when they asked for thata and were buried under several inches of conqueter printoul." (She didn't name the civil aervant responsible fur that outrage, but apparently he was in the

l'arliament's cierk of committees, Adrience von Tunzetman, in a recently published atudy, recommended that the Public Expenditure Committee should widen its purview to eaver revenue, long-term spending and policy malters. She drew attention to several weaknesses — the committee cannot ilchate policy mattera; it is mahte to accutinise long-term spending proposals; Il camot examine the Government's revenue as well as its spending; it may inquire into whether departments have kept to their hudgets, but cannot ascertain if that money is being spent effectively to achieve Government atins. Above all, it has a single research officer, plus help from the Audit Office, and clearly needs more staff.

As Waring points out, the members of her committee are lifequipped to appreciote the complex lanues involved in the administration of a large government department, and luevilably have considerable difficulty in knowing what questions to ask and how to evaluate the information they receive. That ohytously means the committee cannot usefully

If Parliamentary committees need more powers and more help in scrutinising the spending of public money, then there should be no quibbling from the private actor. After all, the Government is taking 45c of every \$t earned by private enterprise to finance Government operations. It should be the concern of every businessman that this money is being as effectively spent as money spent in their own enterprises.

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FISHERMEN the world over have a reputation for felling ali atoriea. And our Governmeni Tourisi Bureau ia no exception aa il tries to net a

faw more American vialiors. "In New Zealand, a lot of thinga acem praity hard to believe," il boasts in a full paga advertisement in the American magazina, The Fly

And what follows is. True Americans, who are brought up to believe everything in the fishing advisor, who was on the United States la bigger and trip, the spokesman conbetler than anything anywhere elae may be surprised that Rainbow frout in Lake Taupo day but the six fishermen lind are larger — "they go up to a whopping 19 pounds" — than

The offending od, produce those usually caught in the by the bureau's American fault in the alreinft as some Bul no malter how amazing thal sounds, as the ad aaya, "you haven't really heard anything yel".

"Not till you meet a Lake Taupo fishing gulde named well he's moved flahing probably. where the big ones hide out and tell you some stories like you never heard before.

came back with 72 Rainbow, per thousand viewers. none of tham smaller than four belween slx and seven."

atartling — one flah every 50 for an explanation.

have been very interested in the reat of the tale. And the to be told the facts first time local magistrate would almost up. We know just how they have certainly created his own fccl. Reductionly, we must record ... in finea handed down confess to having made a to the aix law breaking mistake or two in our time. Or

BROCKIE'S VIEW

catch limit is set at 10 flah per way to us ..

Government Tourlat Bureau apokeaman was a Irifle embarrasaed. "So you have ECONOMIC pressure was the

MS

gets the Message

So had the burcan's Rotorna

WITHOUT WORD OF A LIE

fesaed. He was not impressed. A record had been set that in Anckhund.

The offending od, produced ageni , has been withdrawn and Reaponsibility is being

accepted by the Wellington spokesman, but the man who wrote the offending words, well he's moved on, gone

'Lika about the ona lime he ONE of our respected adand five of his friands went out vertiaers, South Pacific after a new record and gol lt. Television, ran an ad in our There were 45 knol winda Ihal columna which showed the day, but they went out al 5 a.m. male and female audience for anyway. And in one hour, they various lime zones and the cost

On Inspection it was obvious pounda, and most of them that if the figure given for malea 20-54 yeara, zone onc. We understand that Taupo were correct, then that for boalles who have seen tha ad females was wrong and vice are wide eyed with diabelief at veraa. So we drew their ofthe thought of aix rods fishing tention to this transgression and, in case we were jumping The catching rale is also to wrong conclusions, asked

But the local ranger would was a mistake," they said. Back came the reply: "It How refreshing, these days,

Fishing in Lake Taupo ia PS. At the time of writing, the corrected ad is winging its

found our faux pas," he said. primary cause of the Sir Geoffrey told like

disastrous DC10 crash in Chlengo, Sir Geoffrey Roberts | because of number faultig told those at the thirtieth of its wheels. nnuiversnry illuner of the "Though the holding Society of Licensed Aircraft cutharrassing," talk (Engineers and Technologists

Sengrams'

Geoffrey, "as patron di

Airworthiness, I was mor

that engineer. He wouldn't

the aircraft go Illi he had fo

ii replacement wheel for

He said: "The fact ful!

replacement tyre isle n

flat on the Auckland russ

possibilities for energia

ming, according to fr

Minister, Bill Birch, 18

must move quickly and.

steps to see all the re-

going on has practically

How quick is quickly!.

countries reacted to be

Forestry and agici-

waste already provide to

cent of Sweden's 6

requirements and tim:

of Finland's according to

The EEC is backing pe.

projects for planting a

rotation energy forst

what may be fermed may

Other rations like fa-

and West Germany t

initiated biomass progra-

crisis years ago.

New Scientist.

had in freland.

from Anckiand"

beside the point."

claimed, he said, praper maintenance und proper inspection of that insintenance would have found II and prevented the surt of factors which led to the accident.

An enriler DCIII ernsh which killed 346 people near Parls occurred beenuse the manufociurers' suggested modification to the aircraft waa ignored by its Turkish

Deregulation of the American airline industry and the drive for ever cheaper farcs was pulling tremendous economic pressure on nirline maintenance engineers. "But your licences should be sacrosanet and must be issued by a Government authority, not by the nirline operating the aircraft you service," he said.

Sir Geoffrey was the first president of and is now patron of the International Federation of Alrworthineas, which was established largely as a result of New Zealand engineers'

The IFA is a world body of licensed alteraft minintenunce in India, Mexico, b engineers dedicated to Thailand and South Ma preserving the highest possible and the list gors on. uircraft maintenance stan- Now why can't we and

He was referring to the fact
New Zealand? This was that n licensed engineer has to could see n blot pronounce an aircraft as pragramme in oper airworthy before it is allowed willout wuiting for political airworthy before it is allowed to take off with paying tu make a decision.

gathering how, earlier to mouth, he had takens pay SLOTTED into the Wimbledon antellite coverage came this commercial for Seiko watches. aircruft. The Ang. featuring, with a nice sense of directors had been not vineyard in which o

company has a subjection or interest. As Sedgeman displays a When the directors en digital watch on his wrist, the land the aircraft for & voice over tells you that Seiko return flight lo Aucklada introduced the quartz watch to ground engineer relies. the world. give it a maintenance re-

"Seiko - mastera of the quartz." How do you say that in Japanese? luternational Federalisa

thanks to some heetle last- there's a good chance that minute negotiations between Judge will make it on to the the wine ladustry and Allied Press board. government.

NEW Zealand has p But the Budget unnounced an industry study by the Industries Development Commission, which is due to report by June 30 next year. And it is said by some nhservers that a tax will be imposed atter that.

One possibility: there will be a sales tax on wines, but an even bigger levy on imported whies to give the local product a price advantage. That appropell should appeal to a wine industry which has pressed for import controls, particularly on Australian wines. Despite the extraburden ul trans-Tasmui shipping costs, the Aussies are selling more cheaply here than

some local wines. But befure the wine industry gets too excited about the Government lending a hand to prop up its appeal in the marketplace, it migta pouler its prospects on the export from when it can't compete in its own home territory with

As for the consumer, Well, it seems—as almost always—he doesn't come into the

THERE'S a bit of weese anumg stafters on the Evening Star in Dimedia, we hear. The staft has been a bit jumpy for some time, of course, ilianks to persistent rumours of the newspaper's

forthcoming demise.

in a bid to resurrect its fortunes in the markelplace The fact is, a sex shop in should have inspired contiming, Frank Sedgman In- fidence that the publishers do no longer there. The premises Bruce Judge came into the picture, masterminding the H W Smith Lld buying of shares in Allied Press (the paper's

publishing company i. Judge has secured Then comes Sedgman's one something like a 15 per cent and only line ... wall for it ... shareholding in the company. The morning newspaper, the

Olago Dally Times, is by far the company's most profitable publication, so there are some feara that the Evening Star THE pre-Budget speculatora may become the victim of a were folled by Prime Minister Brierley-style ralionalisation Rob Muldoon when he ex- if H W Smith takes control of cluded the wine industry from the embrace of the new sales Of course, likere is no im-

tax on alcuholic beverages. mediate prospect of H W Smith
11 seems wine escaped Ltd gaining control. But

A BUSINESS acquaintance of ours pays two illiferent phone bills with the one cherme. But the other day, about three weeks after making his latest payment, one of his phones was cut off. He called the Post Office to expluin, but his phune was not recon-

So he tried again. That led to something of an impuisition, as he was asked such questions as when did he send the cherne. at which post office was it posted, to what address was it posted, and so on.

Atter much interrogation. the Post Office tellow accepted that the bill had been paid, but confessed he was madde to gnarantee that the phone would be reconnected.

That was muther section's laismess, he said. But his most illuminating remark was that the accounts

are in a mess ... "the system has gone out the window Apparently, the Post Office is trying to handle hundreds of thousands of accounts

manually. Maybe some of those berry Post Office surpluses could be ploughed into modermsing the system so that a customer can pay two accounts with one cheque, and not run the risk of then- being given the bureancratic runaround.

NO DOUBT it's an economic indicator of some sort, but

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convert the paper to a tabloid we're not sure exactly what the message is.

Wellington's Viviun Street Is structing youngsters in the art not intend closing it. But then are now occupied by a finance silence its critics with at least

its share of the Maui gas field, industry sources said. But so far, the American

giant has had little success Club has broken with tradition. according to industry sources. For as long as anyone ean Shell Oil US holds all but 500 remanber if has been holding of the to.1 million \$t shares in its annual meeting on the Taranaki Offahore Petroleum Tuesday and Wednesday in the first week in July. Next year, though, it has plans to hold its Co Ltd, Topco, a partner in the original consortium which discovered Maui. annual meeting on the first

Topco sold its share in the field to Offshore Mining Ltd, anather state owned company, for \$3.75 million in 1973. Bul it later bought back into the Maui development by will mark the 50th anniversary

buying half Todd Petroleum Mining Co Ltd's t2.5 per cent Earlier this year, with little inunediate use for Mani gas lu prospect, the American

company attempted to sell its interest without success. So who will buy Petrocorp, on that day.

the state-owned exploration ompany, if the Government is tempted to bow to the free

Petrocorp is still hoping to a Kapuni-sized gus find at Toko One in Thrannki. This SHELL Oil USA wants to sell week should reveol its success or fallero.

of the RNZAC's foundation.

subsidiary of the Anglo Dutch THE Royal New Zealand Acro THE Master Builders' Federation was delighted with the performance of Housing Minister Derek Quigley at its annual conference. He spoke off-lhe-cuff for 15 minutes. and delivered an hour-long address in which he demonstroted an impressive com-Friday and Saturday in July. mand of facts and figures The change has been made germane to the industry, to enable a aoel ai function to be according to federation held during the galhering. It sources who recognise he has

temperary replocement in-

structor for the anniversory.

Surely club instructors may be

There was an immediate objection to the change. It was federation president Les Street anid it was refrealing for a raised by a meinber who pointed out that Saturday is change to get answers from a normally the busiest day of the Cabinet Minister.

been in the joh for less than a

nero club week. Acro clubs Quigley's mann in the could not spare their inbuilding industry adds to the structurs to attend the meeting reputation he has built up hope a basa't been humbered generally, and further con-

"That's why we've given you solidates claims made for him a year's warning of our in- by observers that he is a tention," said a member of the RNZAC executive, "ft should give clubs time to find a

publishing such plaudits may any aspirations Quigley might allowed one weekend off in 50 hove to higger things in

> OBVIOUSLY a sign of the economic times was the out come of a heavy promotional campaign by Fletchers Developments to sell its newly developed property

The promotion was intensive, ambitious and very professional. And the results? Disappointing, it seems.

Despite the highly attractive purchase rates and financial incentives, there was no great rush from potential buyers. One explanation is the

depressed state of the economy. Another is the thought that the energy crisis is prompting second thoughts about living for tar our of the

Meunwhile Fletchers will with another Greinda Village.



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Sydney, Canbetra and Matbourna - 12 days from \$635 - includes 4 day Sydney Canbetra-Matbourne coach travel.
Sydney, Adolaide and Melbourne - 12 days from \$658 (air iravel), 12 days from \$699 (coach/air travel).
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Sydney, Briebane and Surfers - 12 days from \$625.
Sydney and Surfers - 12 days from \$635.
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choice of Barrier recorts.

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 Grand Australian - 22 days coach holiday from \$985.
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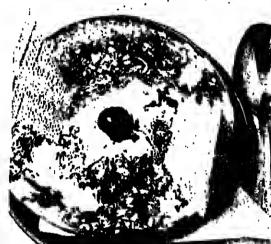
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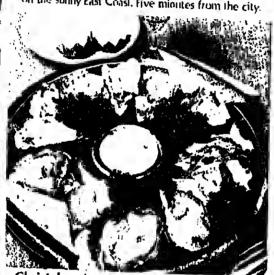
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Parliament begins to descend slippery slope

by Geoff Psimar

the lowering of any rates of taxation by regulation would THE 1979 Budget promises further legislation which may be contrary to the Bill of be, depending on its terms which have not yet been disclosed, contrary to the Bill of Righls. Even-if it is within ths Ilbsral terme of that document It is certainly by regulation, even though lower than the old ona, would contrary to ita spirit . . .

Compare the proposal to not be one granted by empower the Government to reduce incoma tax rates when grantsd is tilegat". I suggest that the words in heavy type indicate that a strong legal legislation granting the argument can be made that

by Relinda Gillespie

NEW Zealand moy be in for

tenother inlining boom.

The price of gold has in-

creased, and invlybilenium and

sliver are (ciching good prices.

never been better in terms of

New Zenland rendiness to

Australia is experiencing u

prospecting foom, and the

overflow is now reaching New

Ray Byrne, executive officer

of the Energy Ministry mines

division, confirmed that

several mineral exploration licences had been applied for since April, and that NBR's

figure of 10 was "not far off tha

accept foreign investment.

Zealand.

plorsilon.

The investment climate has

From a legal point of visw there is no distinction between the power to levy a tax and the power to redues it. This is because any new rate imposed

Parlisment, It has been decided that the Righte: "Levying money for or that a New Zealand court will Rights to be legally effective. to the use of the crown by the guard the provisions of the Bill of the Government has it in pretence of prerogative of Rights zealously and will not mind to repeal a provision in the Bilt of Rights, either exforling time, or other manner over ridden except with the than the same is or shall be clearest expression of

mining exploration interest

Waihi Mining Development

Gold price rises revive

PRESSURE continues to mount from a wide range of people for the Goversment to drop its proposal to etter income tax rates white Parliament is not sitting

The sugust votee of Sir Alexander Turner, for mer president of the Court of Appeal, said he hoped mambers on both sides of the House would resist it.

Some on the Government backbeech have, led by the is wyers among them. It mey be enough to kill the proposal. The Prime Minister put the economic case for the power to the Government MPs in their weekly caucus meeting two weeke sgo. They wfit discuss it again this Thuraday.

National Business Review here reprints extracts of a speceh given two weeks ago by Victoria University law professor Geoffrey Pstmer on the tssus.

NBR invited Deputy Minister of Finance and Minister In charge of the Inland Revenue Department Hugh Templeton to put the Government's case for the power.

Tempteton declined, saying that he preferred to wait uatit after the caucus meeting this week. NBR will reissue its in-

Bill of Rights is part of New Zealand law. It seams obvious that a New Zealand court will Rights lo be legally effective. regulations reducing tax rates

First of all it is a relativety simple matter to call Parlisment together. Why such a step is not practicable is

preesly or by implication, then il behovea us all to give the Secondly, the traditional times for the eltting of Parliament are archaic and months a year it could act as a

constant monitor on the octions of Government and it could poss all necessary Purliament camet act us a check on the executive branch of Government when it is not in session, It is therefore in the

New Zeahard Governments

are at present endowed with a

range of powers with which an

remonile dietator would

regard himself as well served.

nationalise the banks and the

controlling all of their funds,

The main problem with low- every commodity and set the

and to control the price of

forms an important source of

It is possible, in effect, to

mes, and the American giant, on the baels of tests of the ore interests of the Government, but not t'arliament, that Parlionment should sit as in-In the light of present gold frequently us possible.

The next observation that prices, ore deposite throughout New Zealand are wurth needs to be made converns the chim made for flexibitity,

gold-mining areas -Commandel, the West Coast,

vestment Commission to negoliate a deal which gave the company on 80 per cent interest, and New Zealand runnamies the remaining 20 per cent, in the \$100 million

been worked since the early

Over the last six to nine by the Waihl Mining Development Company, which has recently been Joined by a subsidiary of Green and McCahill Ltd, the Auckland months, said Byrne, there had been a gradual quickening of interest in mineral excontracting firm.

This was directly linked to the price of gold, which has increased on the world market worked material in the mine, from around \$200 an ounce thie time had year to \$283 now. present in the back-fill.

Several overseas-controlled companies are continuing their exploration program- its commitment to the venture

Amax will make decisions on

Amax, is seeking approved to as work proceeds. enrey out operations. Amax is involved with the

Company, which operates the former Martha mine at Wathl These exist in the traditional in the Bay of Plenty. Amax is understood to have met with the Overseas In-

North-west Nelson and Olugo. Numerous mining licences are held by individuals who work oreas of the South Island rivers with hand-held suction insurance companies by dredges, generally for low

New Zraland's largest, ins not been worked since the early barren material to be disposed without resort to Parliament. of per ounce of gold. As wall as It can be done by regulation—
Since then, there has been a making the cost-benefits of a regulations which are not limited amount of open cutting by the Waihl Mining Development Company, which has recently been joined by a gold-mining operation passed by Parliament or properly scrutinised there.

It is done by the executive council which consists of

Ministers and the Governor Apart from gold, there is General. Three is a quorum. general renewed interest in Regulation making power exploration for both base and Some ore remains in un- precious metals.

Several large companies are and lower grade ore, prospecting in New Zealand previously unrecoverable, is specifically for copper, zinc gold, have steadily increased

been much abused in New Zealand.

I feel bound to observe that the maesive and flexible not articulated. No reasona ara powers which have been en- no change in the rates that act trusted to Government under the Reserve Bank Act the Economie Stabiliestion Act and other etatutes have not led to the bottom, will remove the Porliament met three days a to economic management of week, three weeks a month, to any quality t would have the moment, the Public thought that on that ground alone the provision of further

powers should be resisted. There is mother reason why inxation matters should not be hundled by regulation. Regulations are supposed to be on without supply. And supply reserved for atlantaistrative cannot be secured without detail, not fundamental Parliament. principle. Tax rates hardty qualify under that heading. At a time when the community is complaining about over

this way. reason why the proposed Executive branch of Governlegislation should be resisted is ment. because it further crodes the position of Parliament, Government in New Zealand the nominotion of the two Parliament We must do more party adversary system of to counter the unbridled power brough of Government Rather executive it is dominated by it, since members of Parliament.

regulation.

So seriously le Parliament's substantial.

JUST RELEASED!

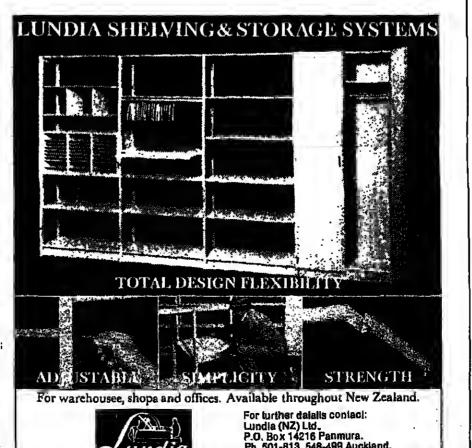
power for modern govern- power over taxation taken ments. It is a power which has under our constitutions? arrangements, that the rates of Income tax are set every year in the income Tax (An-

> We are beginning to descend s elippery slope, which if we go need for Parliament at all. At Finance Act 1977 provides that "in expenditure of public money shall be made except porsuant to an appropriation Government cannot be carried

Parlioment is suffering trom n crisis in public confidence confidence in its ability to function as the central regulation it is surprising to democratic institution in our find further important society. Its capacity to do that questions being resolved in will not be increased by taking But the most important transferring them to the

The key to reforming Parliament has become, under lies in the reform of politics that we have, a ruliber of the Executive by glving stamp. It is not sufficiently Parliament more ability to independent of the Executive cheek and bulance the

Cabinet ministers are also established conclusively Parliament's power to levy If the Executive is given taxes. The removel of those power to reduce taxotion by toxes should as a conregulation it is not a distant stitutional matter be treated step to giving the Executive exactly the same way as their power to increase taxation by imposition. The case for doing otherwise is weak and in-



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Free market drive threatens to Liquidate hone authority

death knell for New Zealand'a smallast producer board and signal victory for a free market system.

Until recently, the market as traditional supprivate exporting understance that the wind signal victory for a free market system.

Until recently, the market as traditional supprivate exporting understance that the wind supprivate export monopoly.

The market system is a supprivate exporting understance that the wind supprivate the wind supprivate export the wind supprivate the wind supprivat

New Zealand Honay Marketing Authority. One option they will consider, is whether the HMA should be liquidated entirely and the local and export asles of honey

that the HMA is not a viable proposition in its present form. Small scale honey producera depend on the HMA to buy their honey and fear the growing power of the large honcy producer packers.

their own right.

sidise the HMA with any form monopoly.

honey offerad, stabilised

and export.

board shifted in favour of the The message was clear, free market large producers. Without, either its monopoly Large scale honey producera sand packers have tittle usa for the HMA. They sell on the domestic and export market in became HMA chairman. He on honey exports, an industry wide funding system, or both, the HMA could no longer afford to buy all the honey of-

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by Warren Berryman; restrictions Imposed on their own operations.

NEXT week may mark the death knell for New Zealand's death

beekeepera. They relied on the to roll in, the financial base Bank overdraft, but that any

Last year the balance of Government appointed board power on the HMA's five-man member, Don Hayman.

HMA for infringing its export out its price stabilisation

representative Don Hayman. working capital of about \$1.5

HMA's monopolistic powers private producer packers to prepared to match the require a contribution of five So Berry sent out a fet camo from its traditional export their own honey. And, authority's own capital by a centa a kilogram from the newsletter explaining as auppliers, the small ss private export orders began similar amount of Reserve producer.

Larger producers had their 18, 1979).

eye on exports. But the HMA at a producers received a copy of a legislated monopoly.

Last were the balance of Government and the specific control of the speci our equity was previously higher that we have continued to enjoy an overdraft limit of \$700,000.

"Temporary extensions Hayman wrote, above this limit have been The nub of the granted in the past, but the Minister of Finance has made was once prosecuted by the tared to it. Nor could it carry it clear that no further extensiona will be given for the purpose of enabling the traliam would suit the small monnpoty on honey by of levy on their production nor Backing Berry on the HMA The abolition of the seals authority to carry out its in- producers, but not the large • District prot do likey want the authority's board, were two large levy did away with the HMA's duatry-wide functions unless

Naw Zealand's beekeepers
will meet to Christchurch next
will meet to Christchurch next
all exports of liquid honey.

honey offerad, stabilised representative Don nayman, working capital or model of the find at least \$100,000 or year. To letter, honey producen to the limit and the find at least \$100,000 or year. To letter, honey producen to the limit and the find at least \$100,000 or year. To letter, honey producen to the limit and the find at least \$100,000 or year. To letter, honey producen to the limit and the find at least \$100,000 or year. To letter, honey producen to the limit and the find at least \$100,000 or year. To letter, honey producen to the limit and the find at least \$100,000 or year. To letter, honey producen to the limit and the find at least \$100,000 or year. To letter, honey producen to the limit and the find at least \$100,000 or year. To letter, honey producen to the limit and the find at least \$100,000 or year. To letter, honey producen to the limit and the find at least \$100,000 or year. To letter, honey producen to the limit and The strongest support for the monopoly on axports, allowing has Indicated that he is lonne throughput, would to abolish the HMA

> This in effect would meon HMA for packing, marketing upon which the HMA was built, long-term assistance at a that producers, supplying the discussion paper. began to crumble. (NBR April greater level than this will not HMA, would receive five cents a kilogram less than those optimus for the HMA: aupplying private packers or The liMA carry on a

> > At last.

"Suppliers to the authority oftered, operating i cannot continue funding the guaranteed base p authority for it to be uble to scheme, and the slability corry on performing its reserve fund. To do this troditional functions," The nub of the problem was, kilogram Or an incressed whether the industry as a live levy from 17.5 cents.

whole, should pay a levy to the cents. This sort of enforced cen- present financed b free market producers who organisations could he want nothing to do with the up by those bette wishing to partic Authority general manager This could be ac

Curtis Wicht wrote a covering plished by having 5 effer to accompany flayman's district co-ops by: discussion paper. Wield timA's existing open suggested that the future of the with fusurcial help for: HMA be decided by referent HMA. dum after being discussed at the beekeeper's conference, with the tfatA's tradition Even the referendum night pose some sibility to the industry a

whole, and no guara-Voling on HMA matters is usualty danc on a system The export control facwhereby one man has one vote would remain with the f. (ar every 25 lilves lie owns up which would be remand: io a maximum of too vales. Honey Experi & This system gives Berry and Anthority or some his free market faction the

But the small honey Christriel produ

Clear concise ideas about the

. . . one of the most important research

papers ever relassed on New Zaaland

agriculture," that's how Harry Broad, edito:

of Streight Furrow describes The Future for

In this significant naw publication, land

McLean, fermer end egriculturel economist

axplains why production rether than market

problems inhibit egricultural exports

probes the pros and cons of five alternative policy strategies to combat New Zeeland's

complax, persistant egricultural problems

McLeen concludes that the weight of evidence

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supports one particular strategy . .

of the N.Z. Plenning Council,

New Zealend Agriculture.

future of N.Z. agriculture.

the whole industry," Itayman production in be peld to To cuntinue in its traditional After receiving role, the HMA would have to paper and Wicht's one

Itaymao's paper laiden

Beekcepers Association from • The HMA sella its existing operation as is where is on the open market with ita funds administered by the Public

The Hayman paper made the point that "It is not reasonable or foir for regular suppliers, if they form less than half of the total number of commercial beekeepers, tu cularce on the rest of the industry, either n levy or export controls, when the rest of the industry do not want these and are prepared to do without the outhority's industry-wide atabilisation functions". "If producer organisations

do lake over from the authority the present guaranteed price and stabilisation scheme will have to be discontinued, as it would clearly be unfair to require me sector only of the industry to have its income stabilised.

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organisationa or a national producer organisation, would be astablished as in the third wide stabilisation acheme opilon, with a Honay Export Control Authority but without an industry atabiliantlon

 District co-ops or a national producer organisation could be established with no conirols on export and no stabilisation scheme. The HMA would be dissolved and tts assets held in a fund administered by the Public Trustee who would act on the advice of the National

If the HMA is abolished, it now appears likely that South Island producera would be willing to set up a co-op with something like a 1500 torne a year throughput. A smatler Auckland co-op, with a 500 tome throughput, might also be established by small honey producers in the North.

If this happens, Guvernment wuuid bow out of this sniail allowing free market forces to

should be established, in line with its policy in respect of

other primary industries.

impose a stabilization achema on the whole industry against tha majority's wishes, unless market reallaationa were threatening to soar to unprecedented levels as was the case in 1972-73," Hayman

TV One advertising time available only to natwork

"This however, is a matter for the industry itself to detarmine and the Govern-ment would be hesitant to

Business la booming for

primary producing sector good for SPTV, it is turning price deal filled some holes, viewpoint, the BCNZ decision

TV1, in the meantlme, ia

available time spots.

BCNZ network advertising switch swings channel revenues' balance

regional advertisers. tomiess barrel he and. poration, both channels in-The half price deal was Some ad slots would remain cluded, it raises some advertisers, leaving tha whole offered to advertising agencies unsold even with the half prica questions.

regional scene to SPTV, is last week and will be open until offer. having a dramatic effect on channel revenue.

Despite aubstantial adregional advertisers, who have channel revenue.

TVI's half price offer raised vertising rate increases, TVI's been turned back by a fully advertisers and revenue is running at a booked SPTV, gone to TVI bad

marketing approach.

l'Estrange said the half

tima is just about booked out Government-servant style the additional regional ads ads at half price which it might

Starting this month, SPTV flexible and aggreasive increases its regional ad tima from 96 minutes a week to t32

SPTV.
TVI's controller of sales and — a 37 per cent increase.
Sales and marketing marketing, Richard And SPTV added a sixth TV1's controller of sales and director Maurice Uritch aald L'Estranga explainad this region, Palmerston North, gross revenue for this month change in styla: "We had some giving the channal a whole new was up \$790,000 on July last holes to fill in July. I thought it regional breakout to sell adwould be an interealing ex- vertisers.

An educated guess would put periment to see if there waan't Thirdly, SPTV's SPTV's revenue about 70 per ent up on last year's lavela. the advertising budgels."

periment to see it intere that the programming has been pulling better ratings in recent weeks. Looked at from SPTV'a

by Warren Berryman

of faring advertising apaca at not Fridaya and Saturdays.

THE BCNZ's decision to make the price of the proved there was not a bot-viawpoint of the whole cor-

Namely,

Regional advertisers, barred from TVI by the BCNZ decision, shifted their ads to SPTV. As a result, SPTV's TVI by the shout backed out.

TVI shart price offer raised vertising rate increases, to a direct raise and revenue is running at a level only about equal to last that been able?

TVI shart price offer raised vertising rate increases, to a direct raise and revenue is running at a level only about equal to last that been able?

If the answer is yes, and this is likely, then TVI is offering the rate increases, to a direct raise and revenue is running at a level only about equal to last that been able?

If the answer is yes, and this is likely, then TVI is offering the rate increases, to a direct raise and revenue is running at a level only about equal to last that been able?

from now to Christmaa and when diapoaing of its adsoma advartisers are being vertising time. In contrast, iurned back for lack of SPTV has been known for its Starting this month, SPTV and it gona to regional advertisers.

Regional ads always pose

balanced with other ads showing at the same time in

problem to TV1 as ita regional support was strong - ai least particularly in Tuesdaya, to split the two channels' tato until the decision to drop all Wednesdays and Thursdoys — regional and network, was a regional ods.



standard luxury leatures: plush velour buttoned seats; Landadown cut-pile carpet, door-to-door, and in the boot; driver's door mirror; remole boot re-lease; centre console box; front and lease; centre console box; front and rear map pockets; multiple ashtrays; passenger vanity mirror; tachomater; anipmeter; oil pressure gauge; digital quartz clock; intermittent windscreen wipera; tront and rear centre armrests; gold styled wheels; wide radial tyrest variable-ratio electing; tilt-adjust column; four-wheel independent suspension; power brakes; tinted glass alt-pund.....

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Why Concept Video's founder was absent

ONE man was conspicuously absent from the ceremonies when Concept Video NZ Lld officially opened its vamped up and fully equipped premises in the Wellington suburb of Miramar lhe, other

founded the original company, Ltd, in 1974, and worked for the next four years to make it a money TV-video stakes.

In November 1978, keen to expand and needing backing to do so, he took Independent Newspapera Ltd on board as

sn equity pariner. The future was bright. After months of effort, including several trips to Australia to get support from lop ad agencles there, Lock had secured s licence to import more than \$900,000 worth of the Intest

Staff were hired, the premises were expanded, eminment started to arrive. On July 2, right months after he had signed the Hesds of Agreement with INL, and just one week before the Miramar premises were launched in n fanfare of publicity, Lock was

The firing came as a shock to

Lock is knawn as one of the most primitishing faces in the communications field, with n reputation for entrepreneurial their and the ability to look oheod while others are still marking time.
But for others close to the

action, the writing had been m the wall for some time.

"INL, like most of the big publishing outfits, are n pretty conservative, shirt-and-le lot. Lock's outlook, his flamboyance, even his style of dress tieons and open-neck shirts didn't go down too well. A parting of the ways was

The company rented video equipment and produced programmes for closed circuit

Business flourished. There were virtually no competitors and in four years assets wera more than \$100,000.

By 1978 lhe company was turning over about \$12,000 a expand the operation into a

ol big ad agencies needed mora facilities for

the production of vision commercials. One agency alone estimated that it apent an extra \$27,000 a year going to Auckland to make commercials. Others took the work to Sydney or Melbourne. The sort of money going out of • The rupid growth of the

home video murkel overseas. Home video is a system by which pragrammes are stored on cussettes and can be played at will on specially designed TV sets. Yel to take off in New Zeeland unainly because the cost of imparting the muchines s prohibitive here), home viden is surging in popularity in the United States, Britain, Japan, Australia and elsewhere. Experts put the

potential wurldwide murket or New Zealund-produced home video programmes at between \$8 million and \$10 million a year.

Midway through 1978 Lock began looking for an equity partner with clout. INL, suggested to him by a

contact in Brondlands, seemed ideal. Publisher of several lending newspapers, it munications field and was keen to extend its interests into video production. Discussions were held in

July and the INL directors ndiested that, provided Lock was sble to secure an import licence for the necessary equipment, the deal was un. Lock's first application to

DONN LOCK . . . showdown

Industry was turned down in

The application contubed

using Concept Video for ut least six commercials in its first year of uperation. These letters were forwarded in Trade and In-dustry and in November the import beence, for more than

Just days niterward, o

\$900,000 of videu equipment.

people were involved in Concept Video. They were Mike Mune, who had been hend of commercial production at TV1, end Ray Shaw, who had recently retired as the channel's controller of sales

and marketing.
On December 1, under the

potential of hame video programmaes and the overseas reserves saving potential of locally produced TV commercials.

letters of support from every ud agency in New Zealand. Later Lock flew to Australia

and came back with letters of support from 10 agencies in Ogilvy and Mather (Australia) committed itself to

was gronted.

original share capital

Shaw wea appointed chairman. Mune became genaral manager and chiaf executive producer. Lock was named managing director.

bean very smlcable. Proparations began in earnest for the launching of the new,

Early in 1979, Lock per suaded the tenants in the other half of the Miramar building to move and Concept Video took

tiking place, the emitpany operated out of temporary iremises in dawn**to**wn Wellington, Complitions were difficult and the revenue coming in was still the same as that of the old company. But for Lock and the old Concept Video team, the dream was

By this time lack had a lot invested in the project. For

the crucks began to show. It

became evident to insiders nominees had different ways of guing about things.
When, for example, there

name of the company was changed to Concept Video NZ Ltd.

to be issued in April 1979. There were seven directors - Alan Burnet, Jim Crook, Jack Dent and Jim Carney fram INL, plus Lock, Mune

and Shaw.

Relations appear to have

expended facility.

While reconstruction was

becoming reality.

nine months, from March to November 1978, he had had no salary and had run up a large personal overdraft patting the roject tugether. The strain on us private life had been great.

During this period his wife and young child left han. Technically, he was close to In the early months of 1970

was talk of private enterprise taking over some or all of



CONCEPT VIDEO . . . bustness flourished

TV2's viewing time, Lock told suspension on full pay. the press that Concept Video Three weeks later, three wss interested.

The INL team thought his alleged "failure to per

personality clasices, par-

INL, Lock, together with Mune, was to have had the apportunity to buy into the April share issue. His entitlement would have given him a 16.6 per cent shareholding in the company.

April came and went. The It seemed to some only a would be u showdown.

In June, just after Queen's Birthday weekend, the hourd put a proposal to Lock, tiling untsilemeanours, including "fuilure to perform", and the fact that he was close to personal bankruptey, it uffered to pay his bills if be would quietly resign.

He was not to talk to the

"It was," said a colleague, "a clear-cut case of take the money and run." Lock said no. He was im-

and notice that his emplnyment had been ter-

The vote by the board of directurs of Concept Video NZ Lid against Lock apparently had been munimums.

Buard member Burnet referred our immiries to Shav as chairman.

At the time of going to press Shaw was at Concept Video's Auckland promotion and could not be reached for comment Further legal action is known to be pending and both parties are, for the time being

interestingly, INL's mour report for the year ended Mnrch 1979 described performance as "mixed and somewhat disappointing" and the company may be looking to Concept Video to holster up its showing in the fittire.

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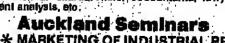
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Wellington Seminars

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"READERS will agree that economic forecasting is e "A Budget Teble 2 deficil of "Budget is likely to be lower. This Covernment has followed allows for an increase of \$210 The Institute's forecast of a assessments, n year when they be borrowing published in the Budget is likely to be lower. This Covernment has followed allows for an increase of \$210 nilowance. In 1979-80 they pay that the forecasts about integer and the followed allows for an increase of \$210 nilowance. In 1979-80 they pay the forecast of a assessments, n year when they be forecast of a assessment in the followed allows for an increase of \$210 nilowance. In 1979-80 they pay the forecast of a assessment in the followed allows for an increase of \$210 nilowance. In 1979-80 they pay the forecast of a assessment in the followed allows for an increase of \$210 nilowance.

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every activity.

polished this quarter. Of course, the Government's Referring to the budgetary deficit, the institute saye:

Of course, the Government's creese of \$150 million over the budgetary deficit, the institute saye:

Of course, the Government's creese of \$150 million over the budgetary amount for t979-tax on the basis of their 1977-78 stitute prepared Quarter.

79. The Institute's forecast of a assessments, a year when they be forecast of a saye and the budget of the stock that the stock the forecast of a saye and the budget of the stock that the stock the forecast of a saye and the budget of the stock that the stock the st

lie Budget. That is unfortunate, becouse e incomes rise in dollar terms—
to be at least \$300 million out
the effect of rises uregingler in deficit has always turned out was paid out in October, 1979.
This has to be accounted for in pay, at 35 per cent, will take consumer prices for 1978 to fortunate, because e incomes rise in dollar lerms—to be at least \$300 million out the conomy would estimate the Budget Teble 2

This hes to be accounted for in the current finencial yeer.

Second is the effect on compensation of the Budget deficit is \$1090 million effect ellowence of \$400 peny provisional tax of the add to the publication's deficit will reduce slightly to a million, efter ellowence of \$400 peny provisional tax of the million for supplementary year.

But the crystel ball was well supplementary of the stock education of the st These famous signatures appear on a strict code of ethics

institute's forecast of a regular particularly in the area; \$300 million margin of error postul and may be too high, but a figure in the region of \$150 million to taxes, and probable highers. \$200 million seems realistic, prices. That would put the defleit at Some of these incress between \$1240 million and charges have to be put a \$1290 million, compared with perspective, because mathe institute's pre-Budget longue of existing subsides forecast of \$1300 million, a and payments of deficits reasonable margin of error trading departments for when the forecast was made in consulidated revenue, sreint the absence of the Budget.

finenclel yeer.

product this year suggests, if is a posmetic operation reasonably accurate, a con-allowing the real impactible tinning shall period for the burief in total toxation less economy, "Growth in 1979-80 is and receipts, forecast to slacken to 1.5 per cent. The institute's quarter cent. This slowdown is mulkely document is becoming one in be very noticeable in the sophisticated with each issuimmediate future, at least in The text is longer sincluding consumer and farming related. The use of a smaller type lace sectors, as demand in these than the corresponding areas still seems rensonably predictions of three years and moyant. Tighter credit con- and the use of supplements; ditions, expecially in the form papers, some technical s of interest rate pressures, and growing. They allow en-low business confidence will controlion on more detailed probably menn, however, that assessments of particular capital goods production will economic frends. or more severely affected.

of a stronger hibour market, future issues, another sid to and unemployment is likely to understanding what is going of persist throughout the forceast in New Zealand, and la be period . . . because growth is recommites which have a via not expected to be particularly effect on our economic beam strong, and profits squeezed husinesses are likely to nttempt to increase supply by using available capacity rnther than extra luhour wherever possible."

Privete aector rates ore nuw at 15 per cent (at least for nne finence companyl, the Government's horrowing programme will probably need to maintain present rates in vlew of the \$40 odd million received in the New Zeeland eavings stock, and there are clear warnings that tha 12 per cent guideline for private cut expension yaar will be enforced.

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of Economic Research always announced for 1978-79 with the warns in the prefece to its publication of the Public estimate in the Budget end same announced for 1978-79 with the practice of publishing one publishing one publication of the Public estimate in the Budget end same fidence, continuing the fidence, continuing the fidence, continuing the fidence, continuing the fidence and the fidence an warns in the prefece to its Quarterly Predictions.

The June edition reinforces the warning. The Inathute's prognostication a were prepared and printed before the Rudget That is unstantial to Rudget That is unstantial t

care of any lump sum will be interesting to see #@z retrospective payments made assessment is lifted to the to the public service this September predictions, in the of the Budget's impact on a In these circumstances, the Consumers Price into

senser "highlen" inflation The institute's forecast for Someone pays. Exclusion 4 growth rule in gross domestic the "true custs" from the fit

The institute will include two "There seems little prospect International Indicators in



SPACE.

INVESTMENTS:

Analysing annual accounts

ALEX Harvey Industries Ltd of whet proportion of assets is one of the country's largest companies, with abareholders funds of \$107 million and total assets worth \$197 million at of salea per division. A com-March 31, 1979. The nnnual report is in keeping with the organisation's status, but even information, without AH1 could improve its disclosing "its hand" to presentation and lavel of

In line with the latest "standard" from the Society of Accountants, the group reveals its turnover \$243.7 millian, compared with \$220.4 milhun in 1978, but that is not AHI, as a leader in New a new departure for the Zealand industry, could Auckland-based manufac-turer. AHI has regularly listing the group's "principal provided this information, and given a breakdown tin graph form this year) of expenses incurred in earning pre-tax

Export sales were t3 per cent of the total, compared with 10.6 per cent in the previous year. The increase in exports over five years is impressive, since the group exported only 4.3 per cent of

Information in the profit and less account is satisfactory the provision was \$4.3 million until we reach the pre-tax on a pre-tax figure of

hy Peter V O'Brlen profit level, although it would be useful to heve an indication pany with AHI's wide ranging interests could produce the competitors.

Fleicher Holdings, Challenge Corporation and CPD are three companies which tell shareholders what is happening in the different sections of their businesses. activities" covers several distinct industries, from plastic film to office furniture, but readers are left to work out for themselves what activity produces what revenue, and of eight corporate groups.

The disclusive of taxation is ansatisfactory for a company of this size. All provided \$2.5 million in tax including deterred taxation) from a pretax profit ut \$17,467,000. to 1978

sales increased significantly, 1979's net "apples" with 1978's and the stock adjustment net "pears".

allowance was unuvuilable in The halance sheet is respect of the star for the year strength for mend, although the ended March 31, 1979.

But there is no indication of down the \$53.1 million (1978). the deductions, whether in \$40.9 million listed as "stock total, or in relation to the of raw materials, work in various allowances and in-centives permissible under progress and finished goods". The text includes references to "current taxation legislation".

The information is desirable, and will become more industries. It would be useful desirable when the new system to know the amounts invested of export tax incentives is in the three categories, which Alti's products come within cent of total group assets.

several of the export incentive several of the export incentive A growing proportion of "bands". The company should finiahed goods, for example, between tax and pre-tax income in each year was provide a better level of could mean that AHI for any respectively 12.6 per ecnt and disclosure than that given in 21.7 per cent. this year's report. A note to the accounts says: Group net profit, after

"In arriving at the amount of current taxation to be provided \$13.992,000 as againat \$14,294,000 in 1978, but tha pre- improvement. The in the consolidated profit and loss account full allowance has lax revenue shows a drup from formution is excluded from the been made for all deductions the level of investment in each available under current taxation legislation." rely an profit before tax as an or arcept that the company's

Export incentives probably accounted for a large part of - indication of trading, because - affairs are being conducted in those deductions, since exports at is impossible to compare line with the state of the

allownnce for minorities, was indicate difficulties in future

\$19,851,000 to \$17,467,000. In the necounts, so shareholders nml

absence of a breakdown of the other readers either ask a

tax allowances it is better to question at the annual meeting

These criticisms may seem a counsel of perfection, but in a company could have broken association with the degressed building industries, and corporate stutus, they are matters which would improve the report, while taking up little "difficult trading conditions" extra space. and "downtums" in particular

company: is manufacturing

tor stock, rather than for or-

dera, a Irend which might

unless there is some economic

How does a shareholder, or potential investor assess AHI's likely performance in the absence of figures showing the total \$53.1 million, or 26.9 per company's involvement in building supplies as opposed to monumetaring products for the better performing agricultural industries?

The company is in good financial shape. proprietorship ratio is 54 pcr cent, and cash flow was 10.2 per cent of total assets at balance date, compared with 11.6 per cent in the previous year. The relationship is down on 1978, but is still good, after allowance for dittienh trading equilitions in a company providing products to many - major industries.

| Australia | .9013 | Malaysia | 2.1812 | |
|--------------|--------|--|--------|--|
| Britma | 4545 | Netherlands | 2.0282 | |
| Canada | 1.1748 | New Culedonia | | |
| Fiji | .8260 | and Tahiti | 78.14 | |
| Jiqran | 218.73 | Norway | 5.1115 | |
| West Germany | 1.830t | Pakistan | 9.9227 | |
| USA | 1.0t21 | Papina-New Guinea | On App | |
| Austria | 13,55 | Portugal | 49.10 | |
| Belgium | 29.47 | Sugapore | 2.1762 | |
| China | 1.5527 | South Atrica | .8555 | |
| Denmark | 5.2889 | Spain | 66.50 | |
| France | 4,2906 | Sri Lanka | On App | |
| Greece | 36.30 | Sweden | 4.2717 | |
| Hong Kong | 5.1655 | Switzerland | 1.6634 | |
| ludia | 7.0478 | Western Samon | .8853 | |
| linly | 827.19 | The state of the s | .0005 | |

| | | Period | l'revlous Year | Per l'ent Change |
|--------------------------------|--------------|---|-------------------|---------------------|
| Consumers Price Index -sil | | | | |
| groups base I've 1977 1000 | June 78 QJr | 1177 | 1047 | + 12.9 |
| Sullding Permits Issued | Peb 78 | 194.7m | 167.7m | + 19. |
| | Fob 79 1T | 21120.cm | 11100.7m | +1.2 |
| Official Overseas Reserves | May 1979 | 61,013.4m | 6918.0m | +7.1 |
| Registered l'nemployed - incl | | *************************************** | | |
| those on special work schemes | June 79 | 50.954 | 42.011 | +18.4 |
| NZUC Share Price Indes | July 13 1979 | 833.19 | 831.59 | +9.6 |
| | | | | |
| Reserve Bank Share Price Index | July 11 1979 | 1411 | 1891 | + 0.5. |

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Currency Services; Investment Management: Corporate Advice; Commercial Bills; Trade Finance: Leasing: Underwriting: Securities Trading

PAGE 10 SHOWS YOU WHERE HAPPENS

Exchange rates

| Australia | .9013 | Malaysia | 2.1812 |
|--------------|--------|------------------|--------|
| Britma | 4545 | Netherlands | 2.0282 |
| Canada | 1.1748 | New Culedonia | |
| Fiji | .826a | and Tabiti | 78.14 |
| Japan | 218.73 | Norway | 5.1115 |
| West Germany | L.830t | Pakistan | 9.9227 |
| USA | 1.0t21 | Papua-New Guinea | On App |
| Austria | 13,55 | Pertugal | 49.10 |
| Belgium | 29.47 | Sugapore | 2.1762 |
| China | 1.5527 | South Atrica | .8555 |
| Denmark | 5.2889 | Spain | 66.50 |
| France | 4.2906 | Sri Lanka | On App |
| -Greece | 36.30 | Sweden | 4.2717 |
| Hong Kong | 5.1655 | Switzerland | 1.6634 |
| India | 7.9478 | Western Samon | .8853 |
| linly | 827.19 | neatern Samon | .6003 |

Key indicators

| | | Current Period | Previous Year | Per l'ent Change |
|--------------------------------|--------------|-------------------|------------------|---------------------|
| Consumers Price Index -sil | | | | |
| groups base I've 1977 1000 | June 78 Qir | 1177 | 1047 | + 12.9 |
| Sullding Permits Issued | Peb 78 | 194.7m | 167.7m | +39.8 |
| | Fob 79 YT | 21120.cm | 11100.7m | +1.2 |
| Official Oversess Reserves | May 1979 | 61,013.4m | \$911.0m | +7.1 |
| Registered l'nemployed - incl | | • | | • |
| those on special work schemes | June 79 | 50.954 | 42.011 | +18.9 |
| NZUC Share Price Indes | July 13 1979 | 833.19 | 831.59 | +9.5 |
| Reserve Bank Share Price Index | July 11 1979 | 1411 | 1891 | + 0.5. |

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finances. Enough to show our conlidence in the future.

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declare that virtuelly ell the

wet, dry and inorganic rubbish could be burnt. By

composition, hospitel waste hes a high celorific value. It

other words, it gets very hol' when it burns.

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will permit. 4. The business will be maintained es a constructive agency in community life and members will endeavour to conduct their business to provide financial benefit

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NZ FINANCE HOUSES ASSOCIATION (INC.) Wakefield House, The Terrace, P.O. Box 1050, Phone 721-731 Wellingto

DFC continues strong industrial finance growt

by Peter V O'Brien

The Development Finance Corporation is the place to go if you want a term loan lo fabricate metal products in Christchurch.

The Corporation's annual report showa that 127 term loans were approved in the nine months to March, from 284 projects. The "fabricated metal products, machinery and equipment industry accounted for 50 approvals of the total 264, and Christchurch rcceived 28 approvals. While Auckland topped the list with 77 approvsls, Christchurch tops the main areas on a proportionate basis. (Northand received approral for 23

projects, but a manufacturer may prefer to operate in Christchurch rather than the thinly populated, and thinly skilled far North).

You also stand s good chance of assistance II your need is for less than \$100,000. in the nine months to March 69 per cent of approvals were for less than that amount.

The report confirms that the corporation is big business in the finance world, and is still bigger than any finance company. Total assets at March 3t were \$239 million, compared with \$267 million at June 30, 1976. The transfer to the National Provident Fund of babllities and assets connected with development of container port facilities was the main reason for the decline in the balance sheet totals.

In view of the corporation'a recent activities in promoting attractive term loan tacilities for plant and equipment OBR. June 13), a passage in the report will interest private sector financiera:

"In the period under review, the value of the corporation's hire purchase and lense approvala was considerably higher than for the comparative 9 months last year. This increase was due to the inclusion of the Tasman Pulp and Paper Ltd (sic) ahip lease which was part of the financial restructuring of that company. Had it not been for this spproval the level of activity would have shown a decline of

approximately 25 per cent. As in previous years, the contractors, aa well as comquarrying also received benking, so that may be an

transaction. NBR of June 13 client. field and offering very st. fluctuating currency deferred taxation." tractive terms and interest

providing medium term equipment finance to the contracting and similar nonexport Industries."

Hunn said it was the corporation's function to "plug gaps" in the financial system. He thought the gap in that area

The corporation wrote off \$668,000 in net lossca in the period under review, compared with \$666,000 in the 12 months to June, 1978. But this loss experience has to be related to the total outstandings. A table in the report - "Loss Experience of DFC"

 sets out the relationships. The \$668,000 represented 0.32 per ceni of total industrial loana and investments outatanding, the latter being \$210.2 million at March 31, 1979. The relationship was 0.30 per cent in the previous year, 0.1t per cent in 1977, 0.06 per cent in 1976 and 0.21 per cent in

The report gives no further explanation on the higher loss experience. Rapid growth in the number of projects ap-proved may be part of the reason (casting the net wider tends to bring in some aickly fish, with tighter economic conditiona also providing an answer. On the other hand, a few larger projects may have turned aour, thus distorting the loss experience. Whatever the reasons, the percentage loss is reasonable although it has increased in recent years.

The private aector finance institutions have an am-bivalent attitude to the DFC. Several see it as a threat to their business, which was developed over many more years without the backing of msjor part of DFC's financial the State. But even they have assistance in this area was for to admit that the annual transportation equipment to reports since 1976 show a contractors carting commendable emphasis on the manufactured goods, timber factual, and a lack of the high and wood products, and in a flown, but aimpliatic, sttempt number of cases to those in- at a philosophical synthesis of volved in civil engineering a State-private sector financial

projects. Earthmoving, aystem which marked the 1975 construction, and forestry report. Chairman John Mowbray (chairman since panies involved in mining and 1976) has a background in part of the resson for General axplanation.

Since the report is related to The recent reports lack the movaments. Referring to the period ending March, the zealousness which moved me exchange fluctuations a note

reported that the DFC was

There is one omission in the saving diability) which will be paration says that "the risk of in show the actual loss experience in available when the loss toning in the saving diability in loss than the contract of the saving diability which will be paration says that "the risk of in show the actual loss experience in available when the loss toning in loss than the saving diability in loss than the saving diability which will be paration says that "the risk of the saving diability in loss than the saving diability which will be paration says that "the saving diability which will be actual loss experience of the saving diability which will be actual loss experience of the saving diability which will be actual loss experience of the saving diability.

exclusion of the Tasman workers with a better type of off againgst current profits.

That is appropriate treat been fully covered by Dec. present position is unclear, on a previous occasion to says: "The total renlised and of how much was written off, onlending equal smooth the saint of the deformed travation in foreign and the saint of the deformed travation in foreign and the saint of the deformed travation in foreign and the saint of t ment, but there is no indication March 31, 1979 either The report says that advances describe the corporation sa s unrealised losses on exchange The deferred taxation inwere down 25 per cent after group of social welfare fluctuations have been written creased from \$1.720,000 nt June 30, 1978 to \$2,542,000 at shart-term forward ender movements in exchange rates perience, in line will me business in the contracting terest in these days of rapidly is realised is trested as between New Zerland dellars and threign curreneus but practice.

mildir companies accorde

rates for losn finance. Corporation general manager, John Hunn, told manager, told

by Peler V O'Brien

The fixed interest investment market is heating up again, sfter a short period of

General Finance Ltd announced a top Interest rate of t5 per cent for its deposits, and the ANZ Banking Group offered 12 per cent for slx month term deposits, with an option to renew at the same rate for another six or 12 months.

The Bank of New Zealand pushed its rates up by between t.5 and 2 per cent for six months terms on the previous day. The National has also

lifted rates. The banks' moves are understandable as they are under pressure following the July control credit expansion, and has also affected the fixed interest market with its own As mentioned on Page 12, the New Zea-Savings raised about \$40 million, which, together with s net amount texcluding "swit-

Stock ched" inveatments of between \$100 dlng on who does the calculation) of between \$250 the cash loan earlier thia year, will help finance the Budget deficit to the extent of \$300 million to \$350 million.

The likely rate of inflation this year, plus higher rates on competing investments, suggests the Government is unlikely to reduce its rates by any substantial amount on later loans, and may maintain

The rate increase is showing up in the secondary market for fixed term securities. Industrial debentures with nine months to run to maturity were selling on the market last week at a 14 per cent yield for good paper (Lion Brewerles,

Psper with longer maturity was yielding more than 14 per Financs's decision to move its rate up to 15 per cent.

NYESTOR INSIGHT

Assuming an "underlying" inflation rate of about 15 per cent by the end of the year. It becomes more "prepoaterous apeculation" to

reserve ssset ratios, which cut breaking through t5 per cent think in terms of companies "free funds" to nil. The for term money, although much will depend on the Government's deciaion on new The usual position of major

financial institutions will make that deciaion more difficult. insurance companies took up sizeabla amounta in the cash loan, (with some awitching their existing investments) after they saw the 13 per cent and \$150 million, rate. Organisations which held million and \$300 million from expectations that the Governinvested at the 10 year level, in

killing from that switch, funds at the same less Othera are showing paper irrespective of the type i lasses, if they held medium institution, or their success duted stock, expecting the long kraping to the credit expansi term rate to increase.

companies with Government The government now has a problem. If it needs additional finds the offer must be attractive. A cut in the rate will keep the institutions out of the loan if they are above the ratio requirement. Keeping the rate a better practice. That: at the present level might drag in surplus funds which cannot be placed elsewhere, but companies and funds with long

may have niready allocated "aurplus". Raising the Government therefore takes away from rste, perhaps at the long end of the market, enuld help the they receive when all me problem. That in turn would formalise a high interest rate atructure, and add to the cost of public funding.

term commitments in mor-

tgages and other investments

A lift in public sector ratios would assist in overcoming the difficulties, provided adequate notice was given, particularly very short dated accurities or to institutions with long term commitments.

The present policy on public ment would move ita rates up sector ratios seems one of In the middle range, made a keeping all ratios on term "Look at it this way. Mr Heltrick -- the sun is

shining, the birds are singing, the bees are humining,

inflation is spiralling and the flowers are blooming.

Four out of five isn't bad."

guidelines.

itut funds raised in the cash An merease in all più loan have left some insurance sector ratios across the ne stock holdings in excess of outside the guideline; their statutory requirements. basically unfair, because policy fails to disting between those who control their activities and thoses, ignored the guideline.

NER has suggested t discriminatory rallos works precedent for this approach allier countries, where; stitutions which fail to a within expunsion goder are given sperial ratios a. penalty.

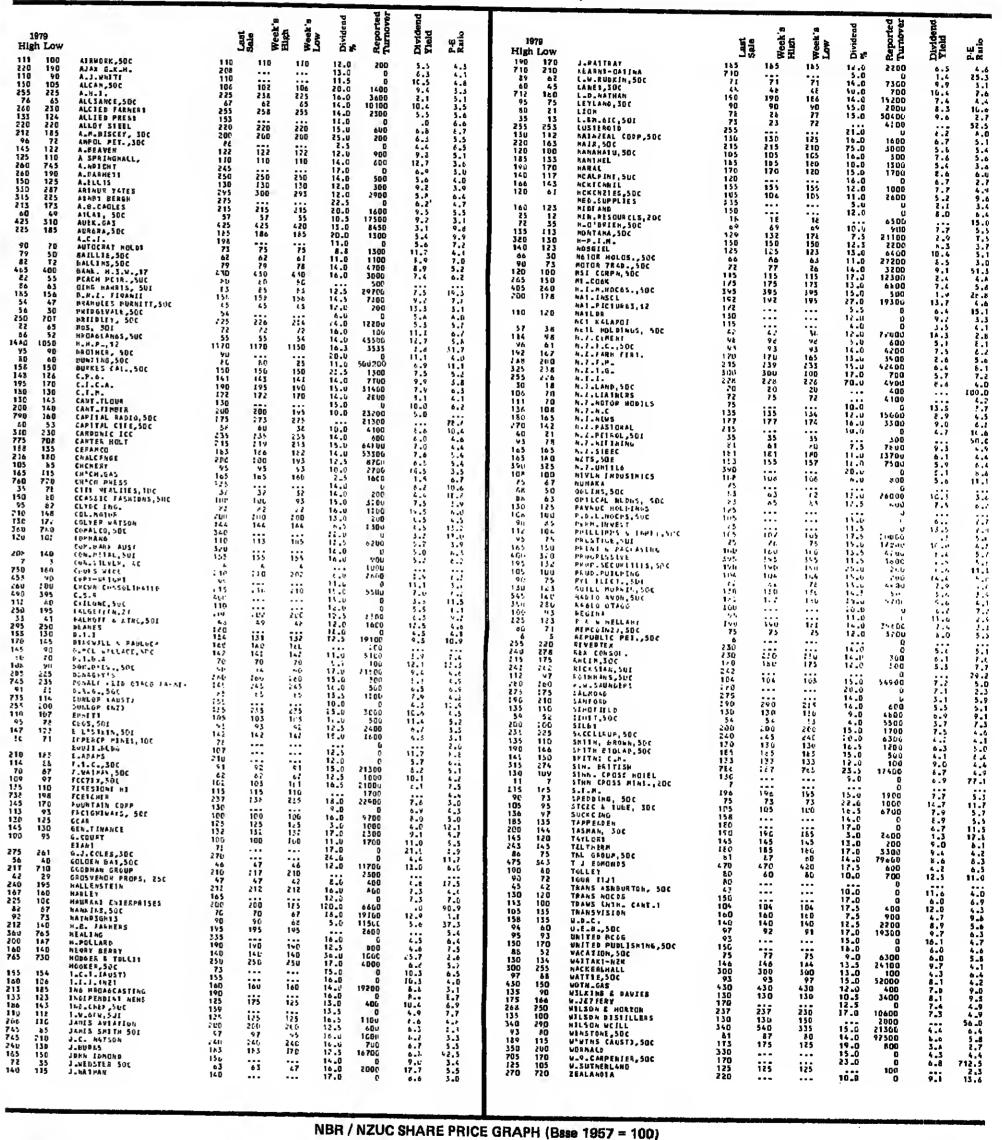
lechnique and 'The penalising all groups a "guilty" parties the advance are moved upwards. Some resistance to the

approach is apparent is to New Zealand financial or tunnity. While the basis of he resistance seems to be hig: might relate to difficulties it the New Zealand companie Assuming that the local it stitutium was given discriminatory rollo, with overseas firms were ked #1 lower level, the home protect would be disadvantaged Against that view is be argument that If a New Zeulund organisation outside guidelines then it is more descrying of peak than an overseas group into case of the banks, of course the system of penal borrows rntes from the Roserve overcomes part of problem, but the exemples be applied to other finance insillullous

It is hardly surprising it public companies are denvouring to lift their payor andfor bonus Issues a shareholders. Higher reful including dividends fre capital reserves, which free of tax, help to mainta ths altractiveness of equilib

May 78

NBR SHAREMARKET SURVEY **WEEK ENDING JULY 12, 1979**





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long-term periods. Invest as littla as \$100 or No Aga Limit For Investoral as much as you like ... the Anyone, of any age, can invest in City of interest payments are automatically sent out every six coupon below or call on your Solicitor, Bank Manager or Stockbroker.

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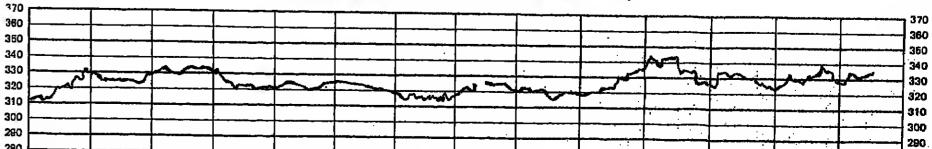
City of Waitemata Loan Issue \$600,000

Opens: 1st July 1979 Organising Broksrs to the Issus:-Jordan, Sandman, Smytha & Co., Members of the Auckland

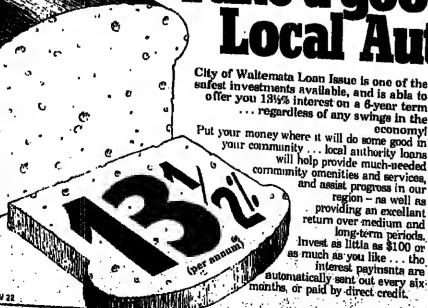
Co., Meinbers of the Aucklai Stock Exchange Ltd.

The Town Clerk,
City of Waltemata,
Private Bag, Henderson,
AUCKLAND 8
Please send me, withoutobligation, the Prespectus for your new \$600,000 Loan Issue.

Name: Name:



280 270



PM chalks up first round points in wage talks Rules need regulation Travel agents press governments

THE Prima Minister may have won round one of tha General Waga Ordar (GWO)

amual punch up.

The Federation of Labour gave away the idea of trying to get an across-the-board increase for all workers, as in previous years. Last week, the FOL applied

for an increase to the Minimum Wage Rata, an uncommon move for unioninitiated waga movamanta.

In the short term such an increase will probably have a small impact on the country's wage bill, and a amail impact on the wage packet of most

Tha Prima Minister was making noisas about serapping the system of General Waga Order determined by an independent board.
The threat must have had

some bearing on the FOL's decision to try somathing

Arguing an aerosa-the-board

THE INDUSTRIAL FRONT

easy, using the aama formula

face the same results as past cent in the past five years that years when the arbitrating body gave them a fraction of more than 100 per cent in that

Also, the "sffeetive wage rate" (which measures wages Minimum Rata doubled, to versus inflation) ta expected to \$147 a week. show this year that the The idea is to make it a averaga wage sarner isn't all "minimum living wage". In an li haa gone all out

waga apiral that allegadly has a strong bearing on inflation.
Increases to averyona in tha General Waga Order doesn't seem to hait the periodic relativity increases within tha awards. That is what sourced Muldoon's threat of scrapping the Genaral Wage Order. The Minimum Waga Aet is usually determined by an

ordar in council, no submissions nor applications ara involvad. It now decrees that tha minimum amount allowabla paid to a full-time adult worker

cent for averyone) would be is \$73. (That is before tax, and But the unions would have to It has gone up about 50 per

The FOL wants tha

attempt to be the champion of publicity to get the most Muldoon, and undoubtedly the down and out, the FOL mileage out of its attempt to employers, want to stop the argues that evaryone should "distribute the country's

wealth on the basia of need and recaive a wage that ean It claims that evan this \$7700 a The FOL'a publicity tries to

AVERAGE WAGE IADULT MALE

year would just barely eover tackle the obvious queations . . such as telling the higherpald worker that his relativity shouldn't be eroded since the next round of award negotiations can build on top of this Minimum Wage, and telling the single-income family that the increase will not unfairly overpay the twoincome family since the tax and salary workers would system will make adjustments below that

> The Combined Services disprove that. Union usually backs up the FOL claims with very sophisticated research. But this year it will probably support the traditional across- will be easier to predict to the board percentage increase, since most of its that the increase would fors members are well above the

> As it standa, those earning above \$147 o week wouldn't get anything out of the General Wage Order claim in the short tarm, but would expect to get a they will set a hearing dat flow-on when renegotiating around August.

their rotes the next time it would be a tricky cash the Employers Federalion is Government to fight. It will hard to find accurate ligure how many single-inte families are earning only

minimum wage while with II 40-hour-week The FOL says the "average" rate of \$154 is a decept? mathematic figure, mi elains a great number of va

There's no way to promi

impact of such a minime

wage on inflation would be

impossible to determine I

long term impact, ssund

Thut is the orea most we

to be dejuited at the heliti

Next week the parties the

get together for a pre-sent

to sort out details. It is like

to most other awards.

apply the policy decisions by making regulations as and when oppropriate, Since 1962, and the report of Therefore, the short to the Algie Committee, the Governor General's regula-

> tion-making power is set out in The gioring icophole, and the Government's favourite ennbling Act, Is the 1948 Economic Siabilisation Aci which empowers the Governor-General to pass a wide

by John Draper

THE International Air Tariff

example of the exacutive

extending its powera beyond

the point apparent preseribed

Lawyera questioned by NBR

doubt if the restriction of

weekend petrol sales, or the

wage stabilisation regulations

would stand up in the courts if

The enabling acts under

which the Governor-General

supposedly made the

regulations do ool give him

power to do so, or in legal

terms the regulations are ultra

Government by regulation

has become an increasing part

of the New Zealand way of life.

Governor-General is em-

powered by many Acts to

moke regulationa. Effectively

he does what the Cabinet or

The theory in a Westminster-

style demneracy is that

Parliament passes legislation

The Government of the day

is then able to interpret and

setting down the policy.

Council-Cubinet -

Sitting with the Executiva

in the relevant statute.

challanged.

range of measures. Between 1940 and 1965, 43 sets of regulations and amendments were made under

Over the following decode another to were pussed, and in the last three years 62 sets of sire said to have had neregulations have resulted. The 1948 act replaced emergency warthus measures questioning the nower of the and some lawyers maintain it

clearly restricts the powers of them. All were passed. the Governor-General. Deborah Shelton, at Victorio University, has extensively studied the 1948 Act and the

She says the petrol regulations made recently to federal agencies cost \$46 stop sales at after 7 p.m. on Fridays and before 6 a.m. on Monday are invalid.

"If they are for the reasons Pilliod admitted that many the Government says they are, regulations did provida for the control of petrol stocks, necessary protection for

much of Goodyear's spending to meet regulations is wasteful and non-productive," he said.

Industry is becoming increasingly concerned at the burden of regulations and the resultant paperwork from the three tlers of Government. local, state ond Federal.

stocks because of rising world

prices to save foreign axchange, then they may be More appropriately the petrol regulations could be fitted in under the in-

GOVERNMENT

ADMINISTRATION

ost energy crisis.

has been reluctant to do.

As yet, no service station

proprietor nor the Motor Trade

Association, has appeared

willing to challenge the

The association has sought

legal upinion on the opplication

of the regulations to historic

velidity of the regulations.

Now the chambers ore ternotional Energy Act, passed by Parliament ofter the But first the Governor-General has to deciare a petrol emergency - a petrol crisis which so far the Government

"But it is our experience that

Confederation of Australian paid by airlines to get more industry is becoming in-

The confederation has

formed a special task force to find out what regulations are costing business, tt is due to report by the end of the year.

The New Zealand Chambers f Commerco are elaiming a victory after persuading tha Government to think again on one t3 page regulatory

companies to determine what is the cost and effectiveness of are expected later this year. Tronsport with a test case.

by John Draper TRAVEL agents are urging Governmenta on both sides of the Tasman to atamp out undercover kiekbaeks and Across the Tasman, the other aelective commissions

> Kickbacks over and above tha atendard commission rates are far more common in Australia, where aganta are pressing Prime Minister Malcolm Fraser to ordar an

Usually the payments find their way into the traveller's pocket through lower fares the Secretary for Transport. while the agent benefts trons the higher volumo.

Ciubs, societies and Zealand for travel between, organisations hava say, Singapore and London ean specifically been formed to be so controlled. take advantage of group travel Section 29 of the Civil

Others, particularly in the Governor-General to make surveying 200 tending poblic Australin, have been getting regulations in generally bigger disenunts thon most. regulute civil uviation. Among Now the Trovel Agents other matters, he muy existing regulations to the Association of Now Zeoland is "prohibit or permit," subject London-Auckland packages business community. Results presenting the Ministry of to auch conditions as the

onsumers, workers and the to halt undercover kickbacks The Link group of travel operation of international associations, formed flights by aircraft to, from or primarily to assist European within New Zealand".

mmigrants viait relatives at The international Air Tartff Regulations of 1978 goes into home, is offaring members further detail, altowing only discounts of up to 26 per cent those fares approved by the By advertising discount Secretary for Transport to be fares in its newsletters. Link is

wolking boldiy into the limelight, challenging both the Some lawyers doubt whether the regulations or the 1964 Act ean control the aale or adtravol industry and Governvertising of discount airfares for travel in other parts of the Regulotions passed in 1978

make illegal the discounting of The regulations oppeared os Str Freddle taker was forcing fares orginating in New Zealand, unless approved by airlines, including Air New Zealand, to eut fares for But it is questionable it

budget traveliers. discount farea aold within New The Ministry of Transport has made no secret that if would try to prevent the advertiaing of low fares to Europe which combine Air Aviation Act 1964 empowers New Zenlond budget fares with Laker Skytrain fores.

Significantly, British travel restrictions. They readly offer Minister may impose, the fares.

医乳乳性 化基甲酚医异苯基酚基

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NAME COMPANY ADDRESS

Birth of a concept

WELLINGTON now has videotape recording equip-ment more modern than that of Thames Television in London. That was the message givan to an sudience of advertiatng agency men in Wellington recently at a champagne breakfaat marking the advent of Concept Video (NZ) Ltd.

programmed for Christchurch and Auckland.

the message was Andrew recording. Brown, New Zealand-born producer of many of Britain's best known talevision Guardians", "Rock Follies" and "Edward and Mra Simpthe three-city launch.

He briefly outlined the adcorporate effects more or less owned in New Zealand. at will, And the most mar- Chalrman of the new en-

plareid in a registerad trademark of Polareid Corporation, Cambridge, Mass., U.S.A.

vellous thing of all - you can

television drema in United Kingdom, Brown emphasised the greater flexibility made posaible by the new mobile outaide broadcaat videotape recording units.

Instead of constructing sets at astronomical costs, existing buildings could be used.

productions, such as "Rock Follies", technical effects could eliminate the need for Similar functiona were sets. Sequencaa from that show were played to demon-strate technical and lighting The speaker who delivered effects possible with videotape

From Its 1200 square metre programmes, including 'The produce everything from and "Edward and Mra Simptolevision programmes or white heat closed circuit television for White heat Concept Video to participata in conferences or sales promotion,

The extensive range of vantages of VTR. You can modern equipment includes a see what you're getting as you fully salf-contained mobils record it," he said. "You can recording unit in highly treat it as a film camere but compact form which is the edit as you go. You can in- only one of its type privately

Discussing trends in

In non-naturalistic

complex at Miramar, Concept Video offers the facilities to advertising commercials to tolevision programmes or

)hotographi

ADMARK

terprise, Ray Shaw, retired marketing director of TV1, described it as "the most modern video production unit

That sounds like tighting talk and thera'll be no lack of either film or VTR contenders ready to climb into the ring.

cools in print

WE DOUBT whether airing We may well be told the industrial disputes in public truth, but is it the whole truth via the medium of advertising and nothing but? is an effective way of influencing opinion except for they selectricity workers t that of your members the they disagree with the Prime employers or employees who Minister he changes the law."

are on your side anywoy.

vertisement Inserted by the Though the difficulties in- chonged the law at the time the

professional handling, needs to be concerned with the

of argument carries on into print end the writer fails to realise that the use of highly emotive language isn't neceasarily going to trigger the same response in a reader.

This ad, for instance, talks about "monstrous reaction" "provocative slap in the face" and "holding a gun at workers"

Then there is the question of truth which we suspect is always the first victim in this kind of argument.

This ad states: "Because

TRUSTEE SAVINGS BANK

man en en resignaren 1820 era 1834 bilar 1835 era pirantzi bartziak marria 1830 bilaria bartziak

The public's recollection of been moderate" the copy in are on your side anyway.

This opinion was reinforced this will be that on the PM was with previous power out when we read the adverted the throat of industrial the unblic has been a few. but the threat of industrial the public has been a degree vertisement inserted by the but the was inconvenience for which is Association dealing with the countering the threat with association has publicly a electricity workers' dispute. moother threat and had not pressed regret."

Though the uniformies and was run.

and in presenting a case which has already been widely reported and debated in the advertising to further the and for which they pay, by makes it all right? generally the job is left to reactions of bystamiers who if industrial problems in ore not involved in the not increasing, at least

> dustrial action. in this PSA ad, under the public reaction insy wellieb sub-licading "The action has suspend beltef.

So, if you apologise to a

And it shows. The white heat prgument but are threetly media enverage of displa nffected by the results of in- seems to be. Under to turringe of verbal wariant

A SERIOUS INDUSTRIAL

WHAT ARE THE FACTS?

The coats are amail

The action has been modarata Throughout the dispute the formation has congled a my party lugators display the mater than 4 to pour party at the first mater than 4 to pour party at the first mater than 4 to pour party at the first materials.

The requests are moderate

How did the dispute develop?

THESE ARE THE FACTS

For fifty years they kapt

Three years ister, tha review

Lose some,

win some

knocking copy.

has not been completed

lie gettermin will de experiment pal det. 1141 - 5
reconducted to him.

In 19th fire then then the set had been a life the 1 th

United the decision of the set of the been a life the 1 th

United the decision of the parameter completed and then

United the decision of the parameter completed and then

THERE is an enterthining

sequel to the story we run in

Subsequently the news enme

that Dave Malioney, Windy's

breakfast jockey who was featured in the banned com-

mercial, had won the Air

Personality of the Year award

per to any ting by the state and the state of the state o The government relused to

from the terral property appear with the product of the second of the second se

Seven months negotiating im had been lost through no les

This is not true

What does this

mean to you?

Hamely and a fee and existing

distinction of the small office will be from \$4.75 and the from \$4.75 and the from \$4.75 and the from \$4.75 and the first factors of the first factors of the first factors and the first factors and the first factors and fa

made annually for

Zeninud by Australia's Bill

inaguzine aixi is based

tapes submitted. Asb ilmiraki won the comment

The programmers at T

He was Interviewed and

of his "phiantoin phone cak

which have achieved

fame in Wellington, 5

played back for a totsi of 18

four minutes of first-class?

publicity.

of the year nward.)

ADMARK June 27 Issue, where latched on to this huorante

run Radio Windy's comtelling his story on the 6st

mercial on the grounds of Dny progrumme at 1 p.m.

This is one of two awards You lose a few and wind

How can you

unhappiness.

proftable.

a small inhority".

"Tha banks are now grasping the heart of the Japanese economy and they must be nationalised", said Fukurai in one of his more radical bursts. "The industrial corporations



Small operators feel forgotten

"tn ordinary cases, when amali businessmen borrow,

they impose severe conditions

- they're very eager to collect

our money but, generally rejuctant to lend."

Like many well to the left in

Japan, Fukural sees a socialist

Government disbending

by Wayne Brittenden

HE'S far too relaxed and freespeaking to be mistaken for a mogul from Mitsubishl the'd hate that to happen), but Toshihiro Fukurai saems at first glance to be the typical Japanese businessman.

What sets him apart from his mostly the giant business peers is a staunch comnliment to the political left.

Fukurai, 43, has bean in business for 18 years. The first 10 were as a disanchanted cog in an unnomed corporata wheel and the ramainder as onc of three partners in a small export operation dealing mostly in wooden household goods and kitchenware.

More than a third of his turnover comes from Naw

"t was in Auckland during the oil crisis in 1972", he

"That's when t became interested in politics. I was dining with n New Zeoland customer who told me that there was war in the Middle East. That was the stort of my

"I got good orders from him started to realise that costs were going sky-high and that even good orders couldn't be

"All of them were enneelled. After the war, the United Stotes dollar and foreign trade currencies got into the floating system and it got more difficult. A quototion from a factory today was useless because next week the price

would go up."
Fukiiroi Insists that the present Japanese economy is artificial and "manipulated by

He claims that some have profited from the oll shock but he and his friands in other smali businessas have been virtually destroyed.

He argues that while large export operations were able to capitalise on the state of the soaring yen and the world market by switching to importing, small manufacturing exporters went under because of the under-utilisation of their equipment and insufficient capital to make the transition

In many respects he typities a growing number of Japan's small company operators who feel forgotten. Others, he says, know whet's happening but have to keep allent because they are sub-contracted to the

For Fukurai It hes meani bitter retaliation by becoming an arch-opponent of the ruling Liberal Democrats, an activity that seems to stem more from resentment than ideology. The dark-sulted company man is no Che Guevare, but at times he sounds like a Marxist and at others, he'a more akin to a Rockefeller.

are under banks such as the Bank of Japan, which belongs to the Government.



cerned with struggles abmad. them to die for the Emperor. No, there's no contradiction Only a small minority of young about a businessman em- people follow them now bracing leftlat potitics, we're gradually getting wise." because the conservative

small businesses. leaders.

interests, and leaving small "You know, one wonders businessmen lika himself to puraue their own livelthood about this country. After World War II in Germany and more profitably in e climate of "economic democracy". Italy the war criminals ware I shouldn't intervene in It'a almost as if other punished or executed and then another country's domestic political lines came as an the new democracy began. But problems. Bealdes, wa're afterthought. Yes, the unions in Japan, many such afraid of losing customers."

should be more powerful but men still have great they're merely pursuing power. They drove Japanese kndlo New Zealand's selfish interest and not conpeople to the war and told correspondent in Tokyo.

in addition to New Zcaland Government isn't supporting ("I admire its social

Getting to the core of the to Britain, the United States. Japanese establishment, he Australia and - people's takes a swipe at some of ita struggles aside - South

"I've never exchanged opinions with the South African people and t think that Italy the war criminals were I shouldn't intervene in Wayne Brtttenden ts



TOSHIHIRO FUKURAI . . , bitterly retaitates against ru



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matches the picture. But an ID cerd should a new card combining e megnatic stripe demonstration of the ID3 system, write to do more; it should auit the conditions of with a portrett end an embossed name and Polerold New Zealend Limited, P.O. Box

padge, we have others with more sophiatisepecial needs.
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Ask

your

adman.

State publicists: (PM) Muldoo shares Savage broadcasting view



weekly column in Truth, In lan Fraser. which he appraised the TV1 and TV2.

Significantly, it had "used The problem for public The first step in the tor-Budget right to interview me enlightenment, as Multion in mational system of in some depth with straight and intelligent questions, the answers to which helped behind the Budget.

"The following day, having ministration. had lime to digest what was in similar series of questions programme. which were broadcast that

TVI, in contrast, and me casters erethere to serve him, "doubtless believing that it Probably no Prime Min-nol to serve the public. "doubtless believing that it Probably no Prime Min-nol to serve the public. "doubtless believing that it sister had so strongly asserted

treatment of the Budget by two apponents and a Service in 1936. precoclous interviewer have TV2 the channel he was never been very good, but no thinking about setting off to this occasion it was even less private enterprise a few weeks successful," Muldoon nb-

explains, was that Sir John un broadcasting in New Zealand longer represents the National had been taken or 1925, when Government and cannot keep an agreement was made elucidate some of the thinking up with the day-to-day detail of between the Radin Broad-Government policy and ad- casting Company of New The problem for TVI, of General, The company's main

which were broadcast that The reason given by night. I believe that those who Muldoon was that "TVI watched bolh programmes wanted to use liteir precocious

WHEN the Prime Minister, of each of them, and about as recent expressions of views Rob Muldoon, dismissed TVI's much as television is able to and past performances on lan Freser ae of "no use to do, given the limite of time." Budget night, he was in use to

Muldoon made clear his remias in asking Sir John that public broadcasters expeciations from BCNZ Marshall to front up with the should be vehicles for Leader of the Opposition and Government publicity since Lahmir's Michael Savage set "Budget programmes with up the National Broadcasting

Savage mabashedly mtended radio to communicate raignestioningly the Government's policies and decisions to the public.

Zealand and the Postmasterthe document, the Leader of course, was that Muldoon objective was to establish the Opposition faced up to a wouldn't appear on the stations in the tour means centres.

This was achieved by 1920. The agreement expired in 1931 and was not renewed. lustead, a turn of public control was set up through the New Zealand Brnaileasting Bourd. This was given responsibility for extending the national broadcasting

Responsibility to Parliament for broadcasting matters land been vested with the Postmaster-General. But the Labour Party complained that the Government should be rlearly responsible for the operation of such an important public atility.

Sum after its election in 1935, the Labour Government abolished the Brandensting Board and brought its services under full departmental ailministration

Permanent members of the service became officers of the Public Service. And the Government introduced the Ministerial portfolin of Brondensling.

The Prime Minister binaself filled the Broadcasting part-

"The Government is going to be the master of publicity," be asserted.

that he would not be alle inqueur ou television bear Minister's Department, Later, of the three-month banks it was moved to the Tourist and Publicity Department. use of politicions in felial programmes three me Radio news broadensls tx-fore mi election what! essentially comprised thuse theys was NZEC Pic Rick chilins to land

ministerial handouts. Not surprisingly, a sceptical public came to dismiss the service as nothing better thun

a propaganda muchine. That's largely the way lhings remained till 1961, when the National Government underlook a fundomental reform by traneforming considerable outcome was that the distribution of the Broadcasting postfolia the Broadeasting portfolio.

The whole point of setting up a stalutory corporation is to was delayed till alle allow operating independence by interposing a board between Government and State dacided not to scraen be Brian Edwards Show in

This allould have reduced Muldoon — then Minkel significantly broadcasting's Finance — appeared 4. vulnerability to political in

But the new conatilutional arrengement doesn't eeem to have been appreclated by the member for Tamaki, R D Muldoon. He was the first MP to ask a Parliamentary quesilon oa a matter for which there wes no longer ministerial responsibility. The Miniater was Arthur Kinsella, and he declined to reply because the question

The Speaker agroed that "the metters which are the ambject of this question are not tha responsibility of the





IAN FRASER . . . of "no use"

Atmister. They have adding Muldoon Issued at lcasi der with lains. They are sig three public statements, exthe respansibility of the pressing disapproval at the decision and raising the Issue tsut dissatisfied MPs preof who would run the second for an arrangement the channel. He sald be was insurvives to this day whe fluenced against the corthe corporation provide

HUGH TEMPLETON ..

nominal Allaster.

Minister with Inform

with which to as

Parliamentary quest

Thus the Minister is a

formation link between

poration and Parliamen

turned arrangements for

control of the Broads:

l'arporation, politici:

terference has been a con-

And Mahlemalinsbeed

irritant to brundcasters

tore in a murber of irol

which have undernied

corporation's independe

the Bick Attaur in 1965, 50

culminated in the result

That canirored

surrounded the politic

sensitive usue of whether!

switch to decimal one

would result in increa-

The Decimal Cane

Board's chateman

executive officer were at-

to be interviewed 66?

current aftairs progne

"Compass", if Muldoon's

give permission. He was

tomutaining that he word

the proper person to see

Multipon he would go ald

with the programme w

to which Muldoon relo

"We'll see about it

such a remark.

acreening

Muliloon denies having

Whoever said what !

interested in the projet

Another confroversy and in 1970, when the

Broadban

For

Currency

Services

Garden Rick.

He played a leading our

But despite this and a

because of its rejection of the Brian Edwards Show. Major-General W McKimon was prompted to declare he "tound it singularly disturbing that Mr Muldoon us a Minister of the Crown should publicly link the rejection of an unsatisfactory programme to the right of the NZBC to a second television chounel at

porntion getting the channel

statement observed: "Mr Public Expenditure Com-

ment for decision".

support in Cabinet when the decided through failure to waive alandards in this in-

certain Muldoon must ap-preciate that the NZBC could whether lhey took the form of threats or bribes.

In the row over the cost of "The Governor" in 1977. He declared he had heard

that the cost of production of the historical scries on the life of Sir Georgs Grey was \$t

The controller Monoghun, countered that the cost was likely to be only \$5 ki,00h for "above the line" costs including extrus, props and equipment". A week or so later

Monaghan was more farthcoming; he explained that fixed "below the line" costs, including TV1 stuff salaries, wages and other overheads coidd be \$600,000.

Muldoon, not surprisingly, was "o bit angry" that Monaghan had disputed his \$1 million and promised to "keep the very time when this matter an even closer watch on taxwas to come before Governpayers' money going into that

Another McKinnon He also suggested that the

lerma of its order of references, and they might find it quite an interesting McKlnnon said he felt exercise - I certainly would if

I were the chalrman The committee took the hint not respond to pressures, and set up a sub-committee in probe the cost of the series. Of course, if Muldoon's sole

Muldoon took a leading role concern was to ascertain the cost of the programme, he could have found out merely by asking the Minister of Broadcasting for the in-

formation. About that time, Muldoon million, "a gross waste of was pushing through money, regardless of the ar- Parliament the SIS legislation. TV1's "Dateline Monday"

decided to do a programme on programmes for TVt, Des the Issue, and this became the subject of un official Prime Ministerial complaint. The complaints committee (three banril inclubers plus one untsiders upheld the

complaint that the programme lacked balance. It was parlicularly critical that one parl of the programme lacked objectivity and contained seriously misleading prevniled.

But the committee was a bit hasty, apparently. A week influence broadcasting up

the NZBC is likely to forfeil hie of the programme. "It is the lan Fraser, the programme'e kind of thing the committee frontman, for its auggestian he second channel issue is should do from time to time in might have been dishones! In hia opening remarks to tha Muldoon haa been even more

active on broadcasting matters this year The BCNZ has been a regular subject of hie Truth

Indeed, he has virtually assumed the role of Minister of Broadcaating that Michael Savage officially felt the need

to hold more than 40 years aga. When the nominal Minister, Hugh Templeton, said that one option under study for TV2 waa the introduction of education programmes al primary and pre-school levels, followed by entertainment programmes later in the evening, Muldoon retorted: "It is a new one to me. I would not think we have gut much support for that in the short term."

Nothing has yet come of the

by the corporation; Muldoon last month or so, did not. Muldoon's view lie has also the

HOR MULDOON . . . licence view prevailed.

decisions back in 1970, he has Templeton supported the used the licence fee issue to increase in licence fees sought influithate broadcasters in the

He has also threatened to its ideas. Which

presumably means it should publish material that meets Muldoon's approval.

Savage apenty declared that his Government would be the strip the Listener of its masters of publicity. Muldoon And just as he brozenly used monopoly right to publish TV apparently differs only in not the second changel issue to programmes if it doesn't buck proclaiming his intent so

HOW TO HALVE YOUR TAX!

If you earn more than \$15,000 a year, you probably pay too much tax. But an article in The Small Business Letter" shows how you can halve or even eliminate your tax.

This technique can ba usad by companies, partnaushipa, sola tradars, and avan aalariad

Tha next money saving leaua

 How to reduce tax when buying or salling a businass; How individuals, partnerahips, and companias cen haiva or aven

aliminate incoma tax; ● A simple way to buy for lower pricaa:

without paying company tax;

eccountant; How naw buainasaes can uaa tha tex laws to gain advantage over astablished competitors;

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all over Austrella. SURSCRIRE NOW - COMPLETE & MAIL COUPON TO OAY! It's firm at the rest temp.

Subjects covered by "The Small Business Letter" include: Customor ralellons
How to beel compa

Amployeus.
It's complately lagat.

And it's not eoma fancy loophole in the tex laws, it is a acheme even tha inland Ravanua

Operational approvas.

Blustness planning

Il sounds too good to ba irue? Wall il'a only one of 500 money-aaving idaaa publiahed each year by"Tha Small Businasa Letter".

Each forinight il comas alraight to tha point with information on which you can aci.

II was. The news service was set up within the Prime

Mail order saling is one of the big Outlines ecom index on Australia and Amorica it is one of the less size salidate where you can hake a lortune with very site brance. Miscons are being made now by packle who stenod will only a lew dollars. And a low page report from "The Small Business Latter" shows how you can break into this lucrative led.

This vital record was written by a man who organ or Australia's most successful mail order

to the books what you need for success. He tells you Seven power to have you select a successful mail order

High to start man order setting with next to no lineage. How to menuty the most successful advertising meets.

He knows the piligits. And evelains them

DO YOU WANT A BANK LOAN? Getting a bank loan needn't be hard.

it's easy if you know how. ow to start and operals a aucoaset

Tan waya to dramatically improva
your cash flow - without borrowing;

Tachniques to cut office costs;

How to have limited liability
without paving company tax:

"The Rmail Business Cetter" is designed for

t's brief and to the point

training fair 🔲 2 months to 4 t5 (Seves) at \$10 American Espesso Oned Explay Date ☐ 12 months subscription 126 visuosi el 340 24 importing subscription (50 issues) at 880

involved an aspect of day-to-day administration.

Tax tips fail to entice

by John Draper learn how to avoid the tax- anyway." man's claw-or so it would

At least, tew are willing to response. spend a few days in a Fijian resurt hotel learning from the there are 10 or 100 there," he muster, tax renegade Peter said.

rescheduled for August 4-6 in Sydney. Wellington businessman and organiser Henry Newrick anid

bookings had been much lighter than expected. Businessmen had expresaed a preference for the Australian will speak on alternative tax venue, he said, because they could more easily claim the

deductible item. deduction when going to a financial crisis".

resort botel," Newrick said "Others would be in BUSINESSMEN don't wont to Australia for business Newrick claimed he was not

unduly disappointed at the low "It does not matter to me if

Sydney offered better And so the congress has been professional recording facilities than Fiji did, Newrick said, and the in tention was to sell tapes of the

keynote speechea. Property magnate Bob Jones will be addressing the conference as will Auckland barrister Bruce Grierson who

Peter Clyne is expected to expense as a legitimate lax drop in from his Vienna hideaway to give a few tips on "Some said the cost of going how to kick the tax paying to Fijl was loo much and it habit and promote his letest would be difficult to claim the book "How to survive a

systems.

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Millers Mechanical Equipment (NZ) Ltd., have established en anviabla raputation for Ingenuity in the dasign of Meteriels seen throughout New Zeeland. We're specialists in the design of Convavor Systems end can take responsibility for e complete Tum-Key Installation. Our work is gueranteed. You know what

you're getting end how it will work. Our Engineers will advise end assist your enquiry without cost and obligation. Wa will quote a fixed price before we start end keep to budget; If necassery we'll finance it too.

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Whetevar product you're daeling with, Millars have probably elready solved ell the conveying end elevat-Ing problams that come with it. And that applies to products es divarse as Cement to Meat. Miller's design, menufacture end install top quality, rallable convavor and elevating systems to must New Zaalend's neads for cost cutting efficiency.

MILLER'S MECHANICAL equipment (N.Z.) limited

Conveyor systems



Wine drinkers demand voice

AFTER reading the Industry Study and Development Plan issued by the Wine Instituts of New Zesland, and making a serious endeavour to comprehend the meaning and implications of the incredible wealth of statistica, graphs and forecasts on all subjects pertaining to the health and progress of the wine industry, I have noted several learned and technical orticles in the news media which single out issues of concern to we, the

One of the Important roles of the newly formed Wine & Food Society of New Zealand is to provide a voice for the consumer and for the numerous incmber-societies throughout the country ttotal strength 800 so far), but also for the wine loving and

drinking public.
May I, iherefore, add my views on a few aspects of some of the subjects dealt with in the report, which I think relevant.

Being Involved in the "world of wine", and an independent enthusiast, many of the winemakers are friends in whose ociivities I toke a great interest and for whom I have s iremendous respect. I also have a very real admirstion for the executive of the Wine Institute and in the progress ond reaults they have achieved, in a shori time, under continuously difficult circumstances.

However, although I am sura that they are sincere when they list one of their objects as concern for the interests of consumers by maintaining quality standards, atc. becsuse the institute (rather like a union) is solely composed of people in the industry, it is only natural that the prima consideration must be for the general benefit and continuing well-being of its own members. Who can blame them? Of course, both objects should and can really be complimentary for success, but it does not always work out that

Possibly a solution could be for one, or even more executive mcmbers to ba appointed from outside the trade with no conflicting or

Everybody seems to agree that the cost of a bottle of "quaffing" wine to the condangerous level at which resistance is apparent and, Instead of increosing the numbers of regular wina drinkers overall, as Indicated by projected estimates, many people who have recantly 'discovared'' wine, may steadily be lost. Evan soma of steadily be lost. Evan soma of tha promium winea are now thought to be becoming too expensiva, daspite the quality foctor. I continually heve compleints on this subject and do my best to axplain tha problems of high cost machinery, labour, the everspiralling cost of grapes, etc. spiralling cost of grapes, etc, bullt becomes more difficult

> Selling - Leasing hone 726-209 Wellingto harcourts

overpriced examples.

With regard lo premium drinking public, to stipulate that at least an the number of wine entitus lasts reasonable quality, clean and honest wines must be produced at prices low enough for the wine competition, and the subject to consume more at prices low enough for the wine competition, and the subject to consume more at prices and to ensure the prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are prices are produced with the subject to consume more at prices are prices and the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced with the subject to consume more at prices are produced at prices are produced with the subject to consume more at prices are produced at pri

feeling it is a "special oc- even! casion only' bevsrage. The old argument regarding Possibly the Industry, and the iniquitous sales tax system particularly the smaller is, of course, very valid indeed, horizons. Planning on the basis further exploited. wineries, should be thinking of and it is to be hoped that early of these figures could be n Despite many the viability of some kind of co-sdjustments may give some mistake. operative systam — par- price reliaf, perticularly in the area of ex- lower priced wines. price reliaf, perticularly on

pensive plant and machinery. Many figures in the report

those referring to future Whilst ii is good to finally number of other wine group population and consumption recognise these well-known countries. Should it be also for any other purposes. wines, it could well be an idea may well be optimistic, but if approximate selling price for grows as expected, I feel an regulations. Though the writers to rapidity delegiat prices low enough for me wine competition, and will occome interested along. (to take care of additives) is practice proves defined to consumer to buy, for home available for letar distribution, in the subject to consume more (to take care of additives) is practice proves defined to consume the consumer to buy, for home available for letar distribution, in the subject to consume more (to take care of additives) is practice proves defined to consume the consumer to buy, for home available for letar distribution, and the consumer to buy, for home available for letar distribution, and the consumer to buy, for home available for letar distribution, and the consumer to buy, for home available for letar distribution, and the consumer to buy, for home available for letar distribution. use, or at o restaurant, without should be indicated before the red wine than the 8.7 per cent fair enough, the possibility of o evenl. of total wine production legal 25 per cent odded water.
The old argument regarding projected for 1985, with which projected for 1985, with which to taste, enjoy and widen their and should be re-thought nr and requirements of the solution is paid to the solution is

sboui sugar nddition, it is in Much has been written about many enses often necessary, in the proposed regulations our clunaie, to produce the regarding water content in minimum desirable level of It appears to work in many are obviously estimates, and wine and the addition of sugar. alcohol — as is the cosc in a

for any other purpose there problems offleioily, much thought must go inth any final now enough Let us hope that more

consumers — without as be Despite many arguments would be no industry.

Sceptics search for strings to Libyan loan

by David Rnbie

IS TONGA'S Libysn con-

nection all that It is cracked up That is the question on the minds of many foreign aid advisers in the South Pseifie kingdom and evan some Tongsn Government sources

There hasn't yel bean any the Government the sppoints an improved ierminal sign of the no-strings-sttschad the ministers and governors building.
that make up the Cabinet and King Tupou looks to the new \$3 mlillon soft-losn from Libys announced by the Tongsn

The answer suggests we've come

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listening to your copying,

a long, long way.

IV assured NBR the losn was
The smount involved in the matter of time before the moncy was advanced for upgrading Fus'amotu international sirport for jumbo the runway from 1400 to 3660 And after all, he virtually is metres and for construction of

definite and it was only a loan is equivalent to about half it, tourists would flock in from fruit to New Caledonia and Pacific such os Japan and tha Tongsn economic dependence United States (already about on New Zealand. 67,000 tourists s yaar visit the country-mora than two-thirds of the total population). And air freight would be just

monarch after s trip to Tripoli last Msrch.

But King Taufa'ahau Tupou

Tu'ipelehske).

But King Taufa'ahau Tupou

Tu'ipelehske). modern mini-state. As he sees market produce and tropical countries on the rim of the French Polynesio, reducing

simplicity of operation maximises sproductivity. Computerised control."

buttons and all operating functions are constantly and automatically intenditional constantly and automatically intenditioned.

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eis you keep esking and we keep

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Whether this is a realistic vision la another matter. friendship declaration with agricultural production

The Tongan version of the as vital. The monarch sees Libya is a good deal lass op-

pledge, he seemed reluctant to give details.

In reply to persistent questioning, he said simply: "We are trying to draw up a masterplan for the airfield."

He soid: "When the masierplan is ready then we will talk to the Libyans again. They may send a delegation to

have a look." The King said the "masterplan," detailing work on the runwoy and a temporary terminal, was being prepared independently of the ibyans-"in other countries with higher technical

But he didn't claborate or name the countries.

The situation seems controdictory to King Tupou's statements in March giving the Impression that Libya was prepared to bend over hock-

ward to assist the country. "What on corth can Lihya find of luterest in little Tonga?" mused o foreign diplomot. But In fact the Fongans have been attracting incrensing and more diver-sified aid, notably from the European Economie Community under the Lome coo

About \$1.6 million worth of construction and road-building machinery was handed over to Tonga last month, a gift from the European Development Fund, and will be used to upgrade the airport road.

Asked about New Zeatand's eight-to-one trade aivantage over Tonga, King Tupou ad mitted: "We are not bappy with this imbalance-but at

lie contrasted this with Australia which he criticised for its negligible imports from

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Christehurch Correspondent

"PRAY for snow." The familier grecting amongst skiere is increasingly heard these days in the urban smog of Christchurch. It's a cry with a ring of desperation about it for southarn snow equipment firms, aervice operators and aki-field investors.

This is the time of the year when the heavy influx of overseas tourists swelle numbers - and bank accounts - on the ski slopes of the usually snow-blanketed improved marketing. "Tha

Aut thia year the Alps look height of summer — and the fear la that some of the expccted American tourist home and see the real thing.

Confusion and uncertainty the enorgy erisis all add up to strained liquidity on the part of travel operutors and akl-field companies. But there is no heodache more irksome for a ski company than an absence

highway petrol stntions haan't tourist facilities, nor does our only meant financial hardship plant qualify for investment for the resallers but also allowances available to other problems for ski field com- export industries,"

Ski industry prays for snow

looming as another pruning of alraady limited midweek ---

the Mount Hutt Skl and Alpine Tourist Co Ltd, worries: "With a new chapter in the world must be prepared to cope with imposed upon us."

He aces part of the answer in potential of New Zealand as a tourist destination is accepted but aggreaalve promotion in markets ia essential if that potential ia to be realized. The Government recognises this in the provisions of the Budget." Well, almost. True the

Budget extended axport performance Incentives to taurism for the first time, recognising the whopping amounl ol foreign exchange that the sector earns. But sa Yeomen wryly concedes: "The 1979 Audget recognises tourism as an export industry but the new incentives will not directly benefil companies Weekend closures of main auch as our which provide



MILD WINTER ... threatens to melt ski industry profits

Zealand is the marketability of our winter aports facilities particularly akiing. Active gained entry to the Austrellan market but the very large market in the Northarn Hemiaphere le virgin territory. Internationally skiing is big business and growing."

Advertising is beginning to atep up for eki holidays and Mt Hutl, a relatively new field now recognised Internationally

It ian'l too aurpriaing that this lield should be the centre promotion by aki areas lisa of attention . . . for miles eround Mt Hutt's snow there is

anowfalls at Mt Hutt since the than in August." following FIS series races first fall on May 26 but the firm there, is the one in the is not predicting trends. Radiolimelight. The season opened telaphone advisory service there on May 26 only a day later than in 1978 when a long (May 26-December 4) season 4cm with 50cm base, all lifts helped awell turnover 17.7 per operating, chains required, and thal will be soon evident in

Mojor tourist merator Mount Cook Tours has just take than in 1998 at opened a Methyen office to produced o gross tags promote ski tours of Afount \$115,000 which emble Hott, Tekupo, and Treble Cone company to brest es nary a snowflake and if the as well as Coronel Peak. A running costs for the would tie up valuable industry exceptionally mild South company spokesman Ken year. faland winter continues much Cherry told Nillt; "We only longer the chances of a profitable 1979 season will melt July t and the real flood of touriste from Austrolia doesn't start until August-September. There have been light I'd rather have no snow now

> lit August last year Coronet both curs and coache Peak, Qucenstown, was closed At the foot of the &t for two weeks but Cherry says situated the Lake Okc. "despite a disastrons 1978 which the company is snow season we're no longer a unique situation è Zealand. The lodge a completed a further St our results." He added that MI cond now provide Cook is adopting a flexible commudation for the approach. "We are selling and the nearby Gin & winter holldays rather than ski Club has necommodar trips, saving come anyway If 30. Within its minust you can't come later und we'll Chairman where ter lorate snaw somewhere else for you . . . at Treble Com. His new Trans teldings: Tekapo and Mt Hati." the Pacific.

corried out last yeart

funds available mostly

road expenditure z

upper area of this

upgraded and is sun

Singe Couch in le

initial 70 beds with and

expected in late '%

Sutterthwaite sais

there are probably to

avarlable within hal to

travelling distance for

ski field and this inco

tinin beds within at:

"We have in abust

hixprious room to art

Lake Ohnu expect bi

dividend tu shere

willin the next three

It will be neccessity k

integrate day facility

sorbing surplus funds

looking forward to their

illvidend la the est

t'liristchurch private?

station Rudlo Avon Lift. carller this year h

Avon chairman Pal

potential. Before con

"It was clear from disp

asacciation with MI Con

tine of the shere

"It's a little early to be worried; most of the fields upen lu July.''

Mt Hutt's profit in the 1978-79 year was up 23 per cent to \$108, but and the alividend rose fram 6 to 7 per cent. Losses carried forward for tax pur-poses are being diminished and this could place the company ht a lax paying situation within the next two nerammodation wie. years subject to the tax effect cater for any por of a possible further stage of

This is a treble chair which the Oldarania Motor & will thumble the sking area and hereise main lift rapability by 25 per cent. Development in t978-79 was designed to cope with increased demand and upgrading temporary

Yeaming steps the field has unused enpucity mid-week and in spring and the obvious source of exten skier days is

"The Austrolian morket luis \$70,000 alice of the most atabillacd but other murketa have great potential purticularly if the trend to lower winter agason atr fures conmoney Avon directors

The field has e flourishing ski school with a achool programme catering for 6000 and discussed the series of th pupils last yeer, some indication of how well known the high flaid has become. Mt Hutt poration, that the south peak is 2075 metres ebove aea level

Further south the new Lake
Ohau aki field company formed
early in 1978 is awalting appearance. early in 1978 is awalting anow. Meantime as Christ Chelrman Derek Sat-lerthwalte, a Timaru eharebroker, asld in the prospectus for the lessue of prospectue for the Issue of 150,000 ordinary \$1 shares that "at a height of 6900ft our field school holidays

"But If It Isn't snow the

Dial a Wool Sale Report

From July 25 Napler/Auckland winter sale; Wool Board will provide a taped sale report Wellington, Phone 738-649.

Industry signs sport and Lake the up for review

Admittedly the the Lake Ohau started of the plastics industry has in 1978. But the field day october 8 when then for a Government industry review. The decision follows any other time dim aeveral years uncertainty by the Plastics Institute of New Nevertheless II will Zcaland es to whether it would recommend the survey or not.

sitow on more southers that gave Lake Charps exposure to the publicle company could have log "We want positive results," said John Mason, chairman of the PINZ forward planning in its lirsl season, m

Ha adds: "What is not yet cent to \$839,699 and total skier Office fields? No single, make at the days beyond 100,000.

Cealand is the marketability of Coursein and Course in the course in the days beyond 100,000.

Course in the sesson, at the the sesson at the ses dustries obtained from their Some 11,000 skin is reviews," he said.

Earlier, there had been considerable doubt within the industry about the review personnel - and because of the cost to the trade group. Improvements to be facilities and the me

The Trade and Industry Department has always been keen for the plastles industry to undergo what has been described as trade group "psychogunlysis".

Trude and Industry's assistant secretary for in dustry Derck Homewood uddressed last year's mid-year PINZ conference on the topic Now that the PINZ planning

committee - the industry group's most influential committee - has given its stamp of approval to the scheme, it is up to individual companies to lay their souls ture in order to provide the tacts on which projections for the industry can be based. Moson said that reriew was

designed to underline the NYLEX Fletcher's Studio importance of the industry as on export corner

commitment to the export Kong, Singapore and stognation of the home projects using this New Zealand-made walling are a

ported and virtually all the Singapore. toachinery is imported too.

The review will go some way were all won against comlodelining the value - present petition from the United and future - of the plastles States, Britain, France and industry to the nation as a Germany.

strong school of thought within Nylex Fletcher provided vinyl Traile and Industry that holds facing materials for kitchen that aspects of injection cabinets which were part of a moulding and extrusion, and \$1.3 million export order to even blow moulding in New Houg Kong. Zcaland are now so efficient Nylex Fletcher has also among local manufacturers stepped up its tarpaulin sales that New Zealand products are to Australia - the coverings

entering a phase of extreme Mason strenuously denles

that the acceptance of the industry raview means that the plastics industry leaders are deliberately cosving up to the Government with a view to looking after their protection - a very sensitive issue right now with the Government's stated aim to pursue a more free market policy.

Firm enters big league

GENERAL Plostica of Masterton movea firmly into the league of big manufacturera following the company's tokeover of G Herring NZ Ltd of Upper Hutt.

Along with its sister company Plastalon, General Plastics now has a substantial manufacturing base with a payroll of more than 200.

"Dur main entaliasis now is on expanding exports," said General Plusties general manuer Alex Maiboroda, He estimates that 25 per cent of production will soon be exported by General Plusties-G Herring which specialises i making buttons.

Plastalon in recent years has huilt up a sizeoble export of Ils rainwear and now sends 30 per cent of production overseas

Walling wins acceptance

range of walling has proved a big seller in the highly com-The industry's full-scale petitive markets of Itong

The midustry-wide reriew new wing of the Jayapuri Hotel comes at a time when there is in Kimla Limpur, the graving interest in the precise Shanghal Banking Corporation export value of plastics. The of Hong Kong und the new ran material is totally into passenger sea terminal in

These project contracts

Working in conjunction with There is, for example, a other New Zealand companies,

Courses and Seminars

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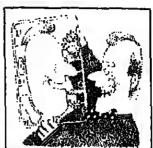
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NZ PLASTICS

are now standard in all but a single state.

Nylex Fletcher general manager Tony Farrow said that the company's philosophy now ia to regard Australia as "virtually a home market"

Investors buy into plastics

list of several conglorderates, outlets. A round of company purchases which seemed schedoled for 1979 were frozen only beemise of the quantum jomps in raw touterials prices.

But if, as some people ere prices settle down by the end of the year. New Zealand'a conglomerates are certain to be looking for acquialtings in the plastics field.

The energy economy plastics manufacturing is However, New Zealand's particularly attractive, as is position es one of the last free the export potential in a range markets for plastica raw proceases where New materials because there is no Zealand companies have manufacturing more complex demonatrated pre-eminent than compounding also makes skill. Mctal insert, injection the industry attractive for inoulding and extrusion arc investors. two examples

Forest Products is clearly interested in plastics Transparent manufacturing as a strotegic diversification. The shifts south conglomerate showed its hand inst year with the purchuse of a 60 per cent interest in Marley 'TRANSPAREN'T Pockaging

A factor behind the share purchase was that in Australia, Marley has no monufacturing fucilities. This opens up export possibilities PLASTICS companies are and strengthens Forest tiguring large on the shopping Products' merchandising

> The classic example of conglomerate making good in plastics is Winstone, which acquired the innovutive Novu

Now Winstone runs one of verter of a variety of polythene predicting, raw materials the two largest plastics factories in the country at Palmerston North.

any substantial acquisitions.

Wellington.

Altun Bloom field said the shift

was made after a review of

trends within the industry and

because of new "efficient"

transport arrangements

between Auckland and

With some ranges of raw material currently on allocation, it is unlikely to sec

the fast growing Australian packaged wine business ond the medical supply industry. Because the company does not maintain nn Australion office, il became all the more

Important to establish in Wellington, Bloomfield said. The company also markets protective disposable backing for adhesive lloor tiles and laminates, and brightty coloured striped tilm for swimming pool covers.

Strike hits toy exports

Lid has shifted its southern THE railwoy dispute has region brouch activities from threatened one of New Zealand's largest export tines Polineration North in consumer goods. Company managing director

it endangered a substantial \$60,000 order for Torro Toys from the Netherland - the thrst big order for PDt, from

The dispute also threatened the export of Torra Toys to the United States, where the toys Founded in 1970, Truns- are distributed through the parent Packaging Is u cou- Montgomery Ward chain



A symbol of quality for 75 years

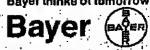
The Beyer works in Leverkusen, West Garmany is one of the largest end most diversified chemical plants in the world. Overlooking the lectory, and visible for miles around, is the 120 metre high Beyer cross. As a company eymbol it is one of the oldest and best known in the world. It was entered in the imperial register of Iredemarks se early se 1904, and soon baceme a femilier aymbol of quality. Today over 170,000 people work under the sign of the Bayer cross in all parts of the globe. Scarcely eny other single branch of industry has had such ler-reaching effects on our standard of living sa

Bayar is represented in practically all walks of life, with over 6,000 products including: dyesiulfs for clothes; paints for houses, furniture end machines; textila libras, which ere in many respects superior to ne lurei products; plastice for the leisure, sport and road aalaly sectors;

prevention and treatment of disease; crop protection products as an effective weapon against hunger; and coaling raw unateriels for the auriece protection of alrerafi, traine, industrial equipmant, doniestic appliances and lumijure. Last, but by no means least, Beyer can help with ideas for raw materiels conservation and environmental protection. The backs for all production le research, a liaid in which

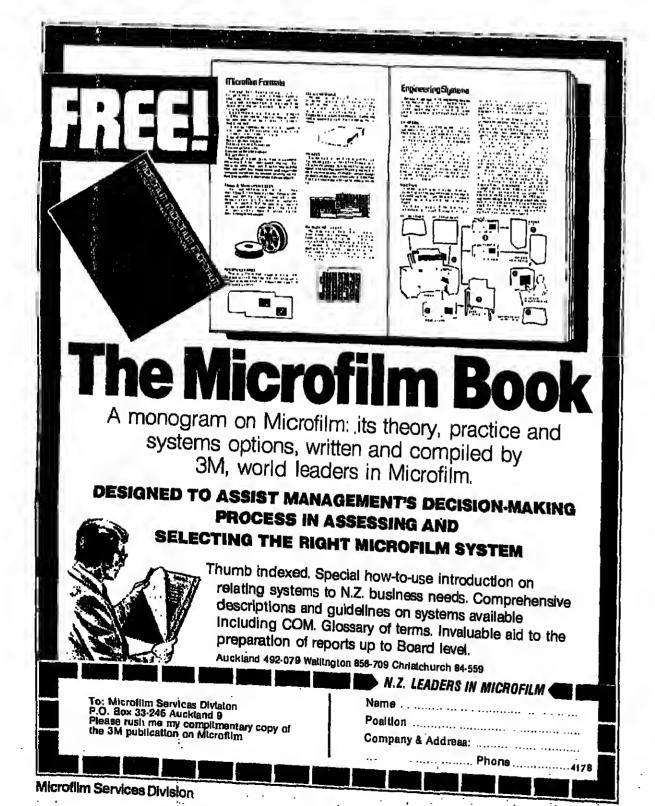
Beyer's world-wida expanditure in 1978 amounted to

more than 500 million dollars. Bayer thinks of tomorrow - loday.



Represented in New Zegland by Henry H. York & Co Ltd.: Wallington, Auckland, Christchinch





Talus makes takeover bid

TALUS Brushware, the nation's biggeat manufacturer of toothbrushes, has bought an engincering company — the Safety Manufacturing Co, which is well known for its towbar caupling components. Bath companies are Levin-

The takcover was a logical move in several aspects. Safety Manufacturing had become a substantial component supplier for Talus' power brushware. Talua is part of Salmond

Over the years both Safety

Dibro refines

recycling

DIBRO NZ Ltd has developed make a plastic product a consumer product made resemble a metallic product almost entirely from recycled has taken it into soms unusual plaatic. The company uses off-cuta from Calvert Plastics, of which the company once ex-Stokes Valley, to make ported to Australia.

Petone-based Dibro, the Geoff Thomas

Monufacturing and Talus have thousands of the spherical PLASTIC Fabrications, often

ture of tha glass look-elike bells ceme after Dibro director Beryl Dickinson had broke, and often cut the hends

der,

The company's ability to

country's leading vacuum metalliser, regrinds the off-bows out cuta and then moulds them into

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become closely associated decorations. Then the balls are considered to be the most make the next," recalled with the success of Levin aa vacuum metellised and appear profitable plastics Thomas a few years ngo. "I perhaps the netion's most go- to be indistinguishable from ahead secondary manufactor real glass.

nanufacturer in terms of have to be an electrician, people employed, has just empender, and plumber."

changed hands. About his raw motertal, he Bob Upton, who describes noted: "Everyone knows what hie background as "diverse", to do with stone, wood mixt hae just taken over the firm. metal. But plastic is different. noticed how the glass balla The former owner and foun- For example, it has seven accountent Geoff Thomas, times the expansion of metal." has taken off for a long overaeas trip.

Thomas began his career as Wine casks a draughtsman, later switching after the war to acboost exports Then, he switched to

fabricated plastic. With a staff WRIGHTCEL NZ, of Feilding, of two he built a solid reputation for highprecision hos just seen its exports top the \$1 million mark.

The company under Thomas The exports have been never advertised and you had to look very hard to find his driven along to a substantial degree by the company's severe recession. fectory in a lott near export of wine casks to Wellington's Courtenay Place. Austrolia

"I always consider it a These have accelerated compliment that people take recently due to the company's so much trouble to find me." monufacture under licence of Thomas noted just before he a three piece scaled tap which uses a push down button to release the wine. Thomas abolished atl un-

necessary overheads and A spokesman for Wrighteel wrote all his own letters in said the wine cask exports longhand in a manifold book. represented "more than 10 per Another principle was never cent and not as much as half" to turn anyone away. But to ensure that Plactic of this total figure.

The company exports a wide Fabrications never got lumrange of products including bered with business that could bags for maturing cheese. not pay for itself, he tended to The plastic bags, modelled

overstate the production on the concept of the old Plastic Fabrications has drinking habits in Australia. goatskin, are revolutionising made such diverse products as and to a lesser extent in New geometrie in Zealand. The main advantage over

parts, and the domes for the gloss bottles is that the tap All Sky camera which attachment to the plastic bag allows the wine to be drunk at leisure without losing its body. "What we make one week The bag collapses around the

a little better.

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Reservation Service.

The plastic bags, many laminating several land plastic film together have perfected by the wife common a subdition of company, a subsidiary di

The New Zealand com hos operated for to seen

Raw material shortage

THE mansging director. Techni Chemical Industri Gernld Krynen, predicts the plastics raw makes supply shortaga will & toward the end of the feet the United States enter

Krynen haa just retae from visiting principals he

"The current thinking is: the recession will see Pa price failtug to \$800 or Mr. towne," he says.

time It is taking longer to his

The feeling in the to

States was that prices a:

not continue to rise because

the liquidity shortage is:

dustry itself, Krynen c

up," Krynen sald.

He said that raw mike suppliers, based in the E-States, are anticipalary the Opec oil increased usher in the United se recession toward October In the mesntime, the said prices will continue

- PVC should rise to: the subsequent thaw. A road pavement built to "Bosically, we are g: though exactly what were through after 1973 - but

truck traffic.

elunate — we have tended to enough to take the sort of lite of the pavement.

Our roads therefore are closely tailored, not to the demonds imposed by harsh

before needing rebuilding.

The passage of an axle over the road imposes a bending movement a paratlel la to bend a plecs of wire to and fro until eventually it sneps). But if we make the pavement thicker it with take more

bending before giving way.
What we spend on highways cach year is directly related to the numbers and weights of axles using those highways. If we increase road irsffle to a marked degree, we will have to budget for a proportionate increase in highway apending. The money will come from the operators of heavy trucks io the turn of rood user charges su the roading accounts won't

get into o "loss" situatation. We could build stronger reads, and even a small lusection can give a worthwhile lnerease in strength. An extrn 25 millimetres of povement will dooble the number of eight-tonne axles a roadway 96,000 km of highways to ean take in its lite, while an extra toomin gives o tenfold

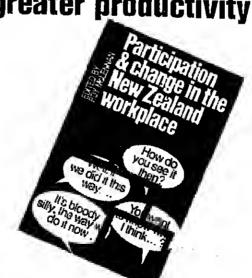
ncrease la privement life. There is o price: Ministry of Works estimates 50 cents per 25mm of pavement thickness

And we have a lot of roads, a small population ond a shortage of resources.

According to the 1978 Yearbook, our capital investment in roading exceeds investment in all other torms of transport. Ws have 96,000 bridges.

The cost of providing winters, but by the vehicles adequate roads as a proportion

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Participation & Change in the New Zeeland Workplace, published by Fourth Estate Books, Only \$4.95 et all good bookshops, or direct from Fourth Estete Books, P O Box 9344, Wellington, (See Fourth Estate Subscription Service coupon elsewhere in this issue.)

Mild winters help giant rigs pulverise roads

SOME may have been convinced by the recent rall atrike end hage rall losses that we would be better off without a rallway.

But they should ask: Why does the typical Naw Zeeland highway pack up it it is subjected to a audden increase in heavy truck traffic? Answar: Because New Zealand has mild winters.

Because of our ndld winters. road upkeep costs increase at a rate directly proportionate to the numbers and weights of axles passing over them. This is not the case in the

land of the Kenworth, the Mack, the Volve and the Scenia . . . the countries of North America ond Europe, where the blg rigs are built. Rood builders in those

countries must build roads that con withstand the coid winter ond the traftic.

In countries where the ground freezes in the winter, o tenomenoo known as frost heove occurs. A road's povement must be strong enough to withstand the pressures brought about by this freezing of the ground and

withstand frost heave many be 30 times as strong as is needed to toke the weight of heavy

As the EEC countries in crease permissible vehicle weights, the manufocturers eliurii oat trucks built to the new standard, and these vehicles are uftered for export.

New Zeoland's roads have evolved in on temperate traftic onticipated doring the Thus our roads don't have budt-in extra strength

found in Europe. Our highway pavements are in fect fatigue structures they are designed to take a certain amount of traffic

> relatively high in comparison with many other countries largely because of the nature of the country and the wide varisty of terraio. Annual expenditure by central and local Government exceeds \$180 million of which o third is for mointenance.

It the Europeons Increase permissible uxle londs, and it the vehicle exporters ofter us bigger trucks designed to take ndvantage of the new limits, and it we run them fully Inden on our roads — we will have to pay more in road costs. What we can't afford to do, is

to quickly upgrade all those European standards

TRANSPORT

Situations sometimes arise

to remind us that our roads are tallored to the anticipated trettic and not the rigours of winter. An example le the Nepler-Teupo road, rebuilt at enormous expense in the late 1950s and early 1960s.

The road had not been completed for long before pine forests in the hinteriand reached maturity and a pulp mill was butit on the outskirts of Nepler. With the opening of the mill, traffic on the road increased three or fourfold and the road wore out at the same accelerated rate.

Roads today are built to maximum exle loads, and the same standards are adhered to when a road falls due for overhaul. But it is not possible to upgrade all roads et ono, so come 80 per cent of highways show accelerated wear if used

by large numbers of the

heaviest vehicles. The Ministry of Works can upgrade a road so that it is rendy to take a traffic increase. But there's often not much warning. It takes yours to go over a long length of road such as Nopier-Taupo and in this case, the mill wos open and ronning before much could be done to the road.

It can be srgued that because the cost of building

ROAD PAVEMENT . . . bends under eight tonne axies

operators' road user charges, there's no real cause for concern if roading costs soar.

But if the axle load limits were suddenly rsised, allowing the use of the very bluggest trucks, road user charges would have to rise, and that might well cancel out the economic advantages of using the bigger vehicles.

The relationship between traftic and wear is quite differcut in the ease of ruit trunsport. The situation with mil is for mure complicated fuctors such as oxle loads. sospensium design, rail metallurgy, curvature ond numbers of holted rail joints us opposed to welded juints) those two extra trains can be all ploy a part in determining how o rollwoy trock will react

and maintsining roads to a Surprisingly, in view of the standard suitable for heavy reistive anliquity of the trucks is paid by truck conventional rail-sleepersballast combination, there is no widely accepted rule of thumb relationship between trnffie and wear.

In New Zealand, obuut onethird of the cost of maintaining o length of roilwny ia variable occording to the occount o traffic using the route. A complication is that this maintenouce cust includes signals, culverts and bridges, and even lineside fencing.

shown that the output of a typical beavy indostrial plant for example a pulp mill) would need nu more than a couple of extra troins a day, ood that accommodated with no measurable change in track

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